

Jackson County, Florida

Financial Statements

September 30, 2015



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**Jackson County, Florida
FINANCIAL STATEMENTS
September 30, 2015**

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Carr, Riggs & Ingram, LLC**

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Clerk of the Circuit Court	
Property Appraiser	
Sheriff	
Supervisor of Elections	
Tax Collector	



REPORT





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INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and fiduciary fund type of Jackson County, Florida, (the "County") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, and fiduciary fund type of Jackson County, Florida as of September 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2016, on our consideration of Jackson County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Change in Accounting Principle

As discussed in Note 23 to the financial statements, effective October 1, 2014, the County adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 to 4.8 and other required supplementary information as listed in the table of contents be presented to supplement the basic statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing and comparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Jackson County, Florida's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Award Programs and State Financial Assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Chapter 10.550 of the Rules of the Auditor General State of Florida and is not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the schedule of expenditures of federal awards and state financial assistance and the schedule of receipts and expenditures of funds related to the Deepwater Horizon oil spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

June 23, 2016



**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

Jackson County, Florida Management's Discussion and Analysis

The management of Jackson County, Florida has prepared the following discussion and analysis to assist the reader in focusing on significant financial attributes; provide an overview and analysis of the County's financial activities; identify changes in the County's financial position; identify material deviations from the approved budget; and highlight significant attributes in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the County's financial statements and notes to financial statements found on pages 5 through 56.

FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at the close of the most recent fiscal year by \$66,429,240.
- The County's total net position increased by \$3,912,920, which represents a 6.26% increase from the 2014 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$22,089,032, which is an increase of \$7,998,882 in comparison with the prior year.
- During the current year, General Fund revenues exceeded expenditures and transfers by \$2,165,881. General Fund revenue increased by \$1,555,540, or 10.07% over the prior fiscal year.
- The County adopted Governmental Accounting Standards Board (GASB) Statements No. 68 and 71 for fiscal year 2015. The implementation of these statements resulted in a restatement (reduction) of beginning net position of approximately \$13 million in order to record the net pension liability, related deferred inflows and outflows, and deferred outlaws for contributions made after the measurement period.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The annual financial report also contains other supplementary information in addition to the basic financial statements.

Jackson County, Florida Management's Discussion and Analysis

Government-Wide Financial Statements

The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to those of a private-sector business. The *Statement of Net Position* presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. This is considered one way to measure the County's financial health. The *Statement of Activities* presents information about the change in the County's net position, the results of operations, during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (government activities) and activities that are supported by the recovery of all or most of their costs through user fees and charges (business-type activities). The government activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services. The business-type activities of the County include water/sewer system operations, parks and recreation and recycling. The government-wide financial statements can be found on pages 5 and 6 of this report.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.



Jackson County, Florida Management's Discussion and Analysis

The governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. The short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the County's funds. The County maintains 40 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fine & Forfeitures, Transportation Trust, Gas Tax Bond Series 2014 and Road Construction, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the major funds.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 56 of this report.

Other information

This report also contains other information in addition to the basic financial statements. Combining and individual fund statements and schedules are presented for nonmajor governmental and agency funds.

Jackson County, Florida Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. The following is a summary of the County's net position as of September 30, 2015 and September 30, 2014:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 29,817,261	\$ 18,150,808	\$ 531,571	\$ 1,066,269	\$ 30,348,832	\$ 19,217,077
Non-current assets	61,663,753	63,119,002	11,236,742	11,386,282	72,900,495	74,505,284
Total assets	91,481,014	81,269,810	11,768,313	12,452,551	103,249,327	93,722,361
Deferred outflows of resources	5,293,357	1,516,811	80,674	23,117	5,374,031	1,539,928
Current liabilities	8,689,229	5,167,054	260,819	189,492	8,950,048	5,356,546
Non-current liabilities	24,021,164	16,048,682	3,945,501	4,515,028	27,966,665	20,563,710
Total liabilities	32,710,393	21,215,736	4,206,320	4,704,520	36,916,713	25,920,256
Deferred inflows of resources	5,198,182	6,723,246	79,223	102,467	5,277,405	6,825,713
Invested in capital assets, net of related debt	51,749,753	56,304,538	7,326,742	6,903,282	59,076,495	63,207,820
Restricted	8,431,703	3,108,603	599,491	599,491	9,031,194	3,708,094
Unrestricted	(1,315,660)	(4,565,502)	(362,789)	165,908	(1,678,449)	(4,399,594)
Total net position	\$ 58,865,796	\$ 54,847,639	\$ 7,563,444	\$ 7,668,681	\$ 66,429,240	\$ 62,516,320

Jackson County, Florida Management's Discussion and Analysis

The following is a summary of the County's Statement of Activities as of September 30, 2015 and September 30, 2014:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 7,140,557	\$ 7,042,280	\$ 1,119,036	\$ 1,191,602	\$ 8,259,593	\$ 8,233,882
Operating grants and contributions	9,177,706	3,270,862	-	-	9,177,706	3,270,862
Capital grants and contributions	126,748	85,125	146,208	-	272,956	85,125
Total program revenues	16,445,011	10,398,267	1,265,244	1,191,602	17,710,255	11,589,869
General Revenues						
Property taxes	11,713,730	10,689,082	-	-	11,713,730	10,689,082
Other taxes, intergovernmental and shared revenue	17,620,141	16,845,556	-	-	17,620,141	16,845,556
Investment earnings	33,874	9,753	13,392	10,436	47,266	20,189
Miscellaneous	1,176,177	848,374	13,471	2,975	1,189,648	851,349
Transfers	(226,003)	(193,947)	226,003	193,947	-	-
Transfers to State of FL	(115,873)	(87,581)	-	-	(115,873)	(87,581)
Total general revenues	30,202,046	28,111,237	252,866	207,358	30,454,912	28,318,595
Total revenues	46,647,057	38,509,504	1,518,110	1,398,960	48,165,167	39,908,464
Expenses						
Program activities						
Governmental activities:						
General government	8,468,081	8,482,931	-	-	8,468,081	8,482,931
Public safety	13,016,238	13,159,000	-	-	13,016,238	13,159,000
Physical environment	455,563	512,746	-	-	455,563	512,746
Transportation	15,367,391	10,977,165	-	-	15,367,391	10,977,165
Economic environment	984,597	689,708	-	-	984,597	689,708
Human services	1,517,406	1,521,263	-	-	1,517,406	1,521,263
Culture and recreation	1,115,875	1,140,456	-	-	1,115,875	1,140,456
Court related	1,365,346	1,299,955	-	-	1,365,346	1,299,955
Interest on long-term debt	338,403	259,793	-	-	338,403	259,793
Business-type activities	-	-	1,623,347	1,662,717	1,623,347	1,662,717
Total expenses	42,628,900	38,043,017	1,623,347	1,662,717	44,252,247	39,705,734
Change in net position	4,018,157	466,487	(105,237)	(263,757)	3,912,920	202,730
Net position – beginning as previously stated	54,847,639	67,200,577	7,668,681	8,127,816	62,516,320	75,328,393
Change in accounting principle, pensions	-	(12,819,425)	-	(195,378)	-	(13,014,803)
Net position – beginning as restated	54,847,639	54,381,152	7,668,681	7,932,438	62,516,320	62,313,590
Net position – ending	\$ 58,865,796	\$ 54,847,639	\$ 7,563,444	\$ 7,668,681	\$ 66,429,240	\$ 62,516,320

Jackson County, Florida Management's Discussion and Analysis

The largest portion of the County's net position (88.93%) reflects its investments in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net position is *restricted* net position (13.60%) which represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations. Unrestricted net position is that portion of County resources that are available to meet the ongoing obligations to citizens and creditors. The (\$1.6) million unrestricted deficit in net position reflects the shortfall the County would face in the event it would have to liquidate all of its non-capital liabilities, including compensated absences, pensions and other post-employment benefits at September 30, 2015. The unrestricted deficit of (\$1.6) million resulted primarily from the implementation of GASB Statements No. 68 and 71. These GASB Statements required the County to record its proportionate share of pension liabilities for its various defined benefit retirement plans for County employees. These pension liabilities represent the amounts to be paid in the future when employees retire and will be funded through future contributions to the retirement plans. A deficit in unrestricted net position should not be considered, solely, as evidence of economic financial difficulties.

The key elements of the changes in the County's net position for the fiscal years ended September 30, 2015 are contained on the Statement of Activities on Page 5 of this report.

Governmental activities increased the County's net position by \$4,018,157.

FINANCIAL ANALYSIS OF JACKSON COUNTY'S FUNDS

The County uses fund accounting to demonstrate compliance with finance related legal requirements.

Major Governmental Funds

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$3,422,717 while the total fund balance was \$6,452,841. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 16.09% of total General Fund expenditures, while total fund balance represents 30.33% of that same amount. The fund balance increased by \$2,165,881 during the 2014-2015 fiscal year.

The Fine and Forfeiture fund accounts for law enforcement activities of the County. At the end of the current fiscal year, the fund balance was \$515,715 which is assigned. The fund balance increased by \$394,062 during the 2014-2015 fiscal year.

Jackson County, Florida Management's Discussion and Analysis

The Transportation Trust fund accounts for the operation cost of the Public Works Department. At the end of the current fiscal year, the assigned fund balance was \$2,008,514 and committed fund balance was \$222,198. The fund balance increased by \$1,278,002 during the 2014-2015 fiscal year.

The Gas Tax Bond Series 2014 fund accounts for activity related to the 2014 gas tax bond. At the end of the current fiscal year, the restricted fund balance was \$4,169,446.

The Road Construction fund accounts for revenues that improve roads throughout the County. At the end of the current fiscal year, the committed fund balance was \$2,185,334. The fund balance increased by \$180,914 during the 2014-2015 fiscal year.

Proprietary Funds

The County's proprietary funds reported net position of \$7,563,444 which includes \$6,598,451 from the operation of the Water/Sewer System.

Total unassigned fund balances for all governmental funds totaled \$3,422,717 at September 30, 2015, compared to total governmental fund balances of \$22,089,032 at the same date. The restricted fund balance was \$8,431,703 which included funds for Building department, Gas Tax Bond Series 2014, vessel fees, tax deeds and other special revenue funds.

The unassigned Governmental Fund balance of \$3,422,717 is different from the Unrestricted Net Position amount on the Statement of Net Position of (\$1,678,449) due to reporting requirements regarding primarily capital assets and long-term debt liabilities which are not included on the Governmental Fund balance sheet.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2014-2015 fiscal year, the County amended its General Fund budget on November 18, 2015. The County received unanticipated revenues and determined actual cash balance forward dollars in excess of the original budget figures in the amount of \$28,624,804.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of September 30, 2015 amounted to \$72,900,495 (net of accumulated depreciation). This investment in capital assets includes land; buildings and fixed equipment; cost for past road and other infrastructure; fixtures and equipment; and computer software.

Jackson County, Florida Management's Discussion and Analysis

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2015, the County had a long-term debt amounting to \$29,076,504. Of this amount, notes payable and revenue bond outstanding was \$13,824,000, with \$1,309,818 to meet compensated absences obligations, with \$12,279,525 to meet net pension liability and the remainder for landfill closure and post-closure costs and other post-employment benefit obligation.

ECONOMIC FACTORS – JACKSON COUNTY, FLORIDA

- The unemployment rate for the County was 5.4% percent at September 30, 2015, this is a decrease of 15% from the prior year.
- Population increased to approximately 42,435
- The taxable value for personal and real property in the County at September 30, 2015 is \$1,504,360,167 an increase of 4.7% from the previous year.
- The general ad valorem tax millage rate was 7.9000 for the year ended September 30, 2015.
- The budget for the next fiscal year ending September 30, 2016 represents a 36% increase over the 2014-2015 fiscal year total operating expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Jackson County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Jackson County Board of County Commissioners
2864 Madison Street
Marianna, Florida, 32448.



FINANCIAL STATEMENTS

Jackson County, Florida Statement of Net Position

September 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,223,143	\$ 315,894	\$ 13,539,037
Restricted cash and cash equivalents	9,928,666	80,981	10,009,647
Accounts receivable	1,038,004	237,063	1,275,067
Inventory	21,101	-	21,101
Internal balances	102,367	(102,367)	-
Due from other governmental units	5,503,128	-	5,503,128
Prepays	852	-	852
Capital assets, net			
Nondepreciable capital assets	3,266,495	21,145	3,287,640
Depreciable capital assets, net	58,397,258	11,215,597	69,612,855
Total assets	91,481,014	11,768,313	103,249,327
Deferred outflows of resources			
Pension	5,293,357	80,674	5,374,031
Total deferred outflows of resources	5,293,357	80,674	5,374,031
Liabilities			
Accounts payable and accrued expenses	2,076,354	70,529	2,146,883
Accrued interest payable	-	9,087	9,087
Due to other governmental units	816,206	-	816,206
Deferred revenue	4,835,669	-	4,835,669
Liabilities payable from restricted assets	-	32,364	32,364
Long-term liabilities			
Portion due or payable within one year			
Notes payable	48,000	-	48,000
Bonds payable	863,000	148,839	1,011,839
Landfill closure liability	50,000	-	50,000
Portion due or payable after one year			
Notes payable	312,000	-	312,000
Bonds payable	8,691,000	3,761,161	12,452,161
Compensated absences	1,309,818	-	1,309,818
Other post-employment benefit obligation	1,371,000	-	1,371,000
Net pension liability	12,095,185	184,340	12,279,525
Landfill closure liability	242,161	-	242,161
Total liabilities	32,710,393	4,206,320	36,916,713
Deferred inflows of resources			
Pension	5,198,182	79,223	5,277,405
Total deferred inflows of resources	5,198,182	79,223	5,277,405
Net position			
Invested in capital assets, net of related debt	51,749,753	7,326,742	59,076,495
Restricted	8,431,703	48,617	8,480,320
Unrestricted	(1,315,660)	188,085	(1,127,575)
Total net position	\$ 58,865,796	\$ 7,563,444	\$ 66,429,240

See accompanying notes to financial statements

Jackson County, Florida Statement of Activities

For the year ended September 30, 2015

Functions/Programs	Expenses	Program Revenues					Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmenta Activities	Business- Activities	Primary Government	
							Total	Total
Primary government								
Governmental activities								
General government	\$ 8,468,081	\$ 6,507,135	\$ 250,252	\$ -	\$ (1,710,694)	\$ -	\$ (1,710,694)	
Public safety	13,016,238	507,223	236,027	100,000	(12,172,988)	-	(12,172,988)	
Physical environment	455,563	-	89,713	-	(365,850)	-	(365,850)	
Transportation	15,367,391	-	8,120,936	18,998	(7,227,457)	-	(7,227,457)	
Economic environment	984,597	-	276,305	-	(708,292)	-	(708,292)	
Human services	1,517,406	-	21,773	-	(1,495,633)	-	(1,495,633)	
Culture and recreation	1,115,875	-	182,700	7,750	(925,425)	-	(925,425)	
Court related	1,365,346	126,199	-	-	(1,239,147)	-	(1,239,147)	
Interest on long-term debt	338,403	-	-	-	(338,403)	-	(338,403)	
Total governmental activities	42,628,900	7,140,557	9,177,706	126,748	(26,183,889)	-	(26,183,889)	
Business-type activities								
Water and sewer	950,656	904,871	-	-	-	(45,785)	(45,785)	
Parks and recreation	343,068	154,330	-	146,208	-	(42,530)	(42,530)	
Recycling	136,242	59,835	-	-	-	(76,407)	(76,407)	
Interest on long-term debt	193,381	-	-	-	-	(193,381)	(193,381)	
Total business-type activities	1,623,347	1,119,036	-	146,208	-	(358,103)	(358,103)	
Total primary government	\$ 44,252,247	\$ 8,259,593	\$ 9,177,706	\$ 272,956	(26,183,889)	(358,103)	(26,541,992)	
General revenues								
Taxes								
Property taxes					11,713,730	-	11,713,730	
Local option taxes					6,343,773	-	6,343,773	
Sales tax and other taxes					3,158,344	-	3,158,344	
Intergovernmental and shared revenue					8,118,024	-	8,118,024	
Investment earnings					33,874	13,392	47,266	
Miscellaneous					1,176,177	13,471	1,189,648	
Transfer to State of Florida					(115,873)	-	(115,873)	
Transfers					(226,003)	226,003	-	
Total general revenues					30,202,046	252,866	30,454,912	
Change in net position					4,018,157	(105,237)	3,912,920	
Net position - beginning as previously stated					67,667,064	7,864,059	75,531,123	
Change in accounting principle, pensions - Note 23					(12,819,425)	(195,378)	(13,014,803)	
Net position - beginning as restated					54,847,639	7,668,681	62,516,320	
Net position, ending					\$ 58,865,796	\$ 7,563,444	\$ 66,429,240	

See accompanying notes to financial statements

Jackson County, Florida
Balance Sheet – Governmental Funds

September 30, 2015

	General Fund	Fines and Forfeitures	Transportation Trust	Gas Tax Bond Series 2014	Road Construction	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 6,260,020	\$ 877,221	\$ 18,104	\$ 3,900,790	\$ 244,122	\$ 1,922,886	\$ 13,223,143
Restricted cash and cash equivalents	466,511	-	4,691,194	268,656	-	4,502,305	9,928,666
Accounts receivable	651,972	-	-	-	-	386,032	1,038,004
Inventory	-	-	-	-	-	21,101	21,101
Due from other funds	641,145	343,177	503,949	53,741	966,320	1,003,983	3,512,315
Due from other governmental units	704,282	145,315	2,294,310	-	1,617,164	742,057	5,503,128
Prepaid expenses	852	-	-	-	-	-	852
Total assets	\$ 8,724,782	\$ 1,365,713	\$ 7,507,557	\$ 4,223,187	\$ 2,827,606	\$ 8,578,364	\$ 33,227,209
Liabilities							
Accounts payable and accrued expenses	\$ 828,905	\$ 276,987	\$ 384,363	\$ 53,741	\$ 336,848	\$ 195,510	\$ 2,076,354
Due to other funds	821,939	573,011	920,321	-	305,424	789,253	3,409,948
Due to other governmental units	595,250	-	-	-	-	220,956	816,206
Deferred revenue	25,847	-	3,972,161	-	-	837,661	4,835,669
Total liabilities	2,271,941	849,998	5,276,845	53,741	642,272	2,043,380	11,138,177
Fund balances							
Restricted	186,968	-	-	4,169,446	-	4,075,289	8,431,703
Committed	739,973	-	222,198	-	2,185,334	763,237	3,910,742
Assigned	2,103,183	515,715	2,008,514	-	-	1,696,458	6,323,870
Unassigned	3,422,717	-	-	-	-	-	3,422,717
Total fund balances	6,452,841	515,715	2,230,712	4,169,446	2,185,334	6,534,984	22,089,032
Total liabilities and fund balances	\$ 8,724,782	\$ 1,365,713	\$ 7,507,557	\$ 4,223,187	\$ 2,827,606	\$ 8,578,364	\$ 33,227,209

See accompanying notes to financial statements

Jackson County, Florida
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position

September 30, 2015

Amounts reported for governmental activities in the
statement of net position are different because:

Total fund balances – governmental funds	\$ 22,089,032
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	61,663,753
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(24,982,164)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefor, are not reported in the funds.	
Deferred outflows of resources - pensions	5,293,357
Deferred inflows of resources - pensions	(5,198,182)
<hr/>	
Net position of governmental activities	\$ 58,865,796

See accompanying notes to financial statements

Jackson County, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2015

	General Fund	Fines and Forfeitures	Transportation Trust	Gas Tax Bond Series 2014	Road Construction	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 4,297,146	\$ 6,928,519	\$ 3,259,727	\$ -	\$ 546,133	\$ 6,184,322	\$ 21,215,847
Licenses and permits	1,476,306	-	-	-	-	-	1,476,306
Intergovernmental	5,755,408	190,093	22,766	-	2,131,264	18,493	8,118,024
Charges for services	4,328,590	299,479	-	-	-	683,441	5,311,510
Fines and forfeitures	168,151	37,018	-	-	-	147,572	352,741
Grants	230,252	11,267	2,948,843	-	5,191,091	923,001	9,304,454
Investment earnings	12,957	1,486	904	363	56	18,108	33,874
Other fees and miscellaneous revenues	731,605	240,764	18,934	-	-	184,874	1,176,177
Total revenues	17,000,415	7,708,626	6,251,174	363	7,868,544	8,159,811	46,988,933
Expenditures							
Current:							
General government	8,122,776	-	-	-	-	224,797	8,347,573
Public health and safety	9,012,936	2,933,420	-	-	-	654,873	12,601,229
Physical environment	376,421	-	-	-	-	89,713	466,134
Transportation	200,897	-	5,762,775	49,000	6,709,989	375,611	13,098,272
Economic environment	454,552	-	-	-	-	531,037	985,589
Human services	1,081,345	-	-	-	-	16,043	1,097,388
Culture/recreation	446,623	-	-	-	-	564,784	1,011,407
Court related	935,940	-	-	-	-	327,657	1,263,597
Capital outlay	586,361	138,846	882,270	-	290,865	639,777	2,538,119
Debt service:							
Principal	48,000	-	-	6,350,404	483,060	-	6,881,464
Interest and other charges	8,446	-	-	271,338	58,619	-	338,403
Total expenditures	21,274,297	3,072,266	6,645,045	6,670,742	7,542,533	3,424,292	48,629,175
Excess (deficiency) of revenues over (under) expenditures	(4,273,882)	4,636,360	(393,871)	(6,670,379)	326,011	4,735,519	(1,640,242)
Other financing sources (uses)							
Loan proceeds	-	-	-	9,981,000	-	-	9,981,000
Transfers in	7,460,788	300,214	2,385,601	858,825	713,728	495,335	12,214,491
Transfers out	(905,152)	(4,542,512)	(713,728)	-	(858,825)	(5,420,277)	(12,440,494)
Transfer to State of Florida	(115,873)	-	-	-	-	-	(115,873)
Net other financing sources (uses)	6,439,763	(4,242,298)	1,671,873	10,839,825	(145,097)	(4,924,942)	9,639,124
Net changes in fund balances	2,165,881	394,062	1,278,002	4,169,446	180,914	(189,423)	7,998,882
Fund balances - beginning	4,286,960	121,653	952,710	-	2,004,420	6,724,407	14,090,150
Fund balances - ending	\$ 6,452,841	\$ 515,715	\$ 2,230,712	\$ 4,169,446	\$ 2,185,334	\$ 6,534,984	\$ 22,089,032

See accompanying notes to financial statements

Jackson County, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended September 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 7,998,882
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	2,538,119
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(3,993,368)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets.	6,881,464
The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities.	(9,981,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:	
Post employment benefits	(123,000)
Compensated absences	(122,355)
Pension expenses	819,415
Change in net position	\$ 4,018,157

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 4,230,634	\$ 4,297,334	\$ 4,297,146	\$ (188)
Licenses and permits	1,246,530	1,479,941	1,476,306	(3,635)
Intergovernmental	5,575,142	5,778,192	5,755,408	(22,784)
Charges for services	3,941,530	4,327,330	4,322,958	(4,372)
Fines and forfeitures	183,500	188,900	168,151	(20,749)
Grants	80,000	191,757	230,252	38,495
Investment earnings	2,625	11,925	12,957	1,032
Other fees and miscellaneous revenues	287,420	828,770	731,605	(97,165)
Total revenues	15,547,381	17,104,149	16,994,783	(109,366)
Expenditures				
Current:				
General government	8,501,374	9,936,188	8,058,904	1,877,284
Public health and safety	9,009,752	9,296,326	9,012,936	283,390
Physical environment	410,858	394,858	376,421	18,437
Transportation	203,146	201,146	200,897	249
Economic environment	443,512	450,812	454,552	(3,740)
Human services	1,181,288	1,174,814	1,081,345	93,469
Culture and recreation	495,659	456,509	446,623	9,886
Court related	1,140,350	1,134,376	935,940	198,436
Capital outlay	495,615	683,606	586,361	97,245
Debt service	55,834	56,484	56,446	38
Total expenditures	21,937,388	23,785,119	21,210,425	2,574,694
Excess (deficiency) of revenues over (under) expenditure:	(6,390,007)	(6,680,970)	(4,215,642)	2,465,328
Other financing sources (uses)				
Transfers in	10,150,457	10,200,457	7,460,788	(2,739,669)
Transfers out	(5,022,985)	(5,012,523)	(905,152)	4,107,371
Transfer to State of Florida	-	-	(115,873)	(115,873)
Net other financing sources (uses)	5,127,472	5,187,934	6,439,763	1,251,829
Net change in fund balance	(1,262,535)	(1,493,036)	2,224,121	3,717,157
Fund balance - beginning	4,286,960	4,286,960	4,286,960	-
Fund balance - ending	\$ 3,024,425	\$ 2,793,924	\$ 6,511,081	\$ 3,717,157

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Fines and Forfeitures Fund
Budget and Actual

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 6,784,284	\$ 6,928,284	\$ 6,928,519	\$ 235
Intergovernmental	198,509	198,509	190,093	(8,416)
Charges for services	309,000	309,000	299,479	(9,521)
Fines and forfeitures	47,750	47,750	37,018	(10,732)
Grants	35,000	46,500	11,267	(35,233)
Investment earnings	1,000	1,000	1,486	486
Other fees and miscellaneous revenues	226,794	226,794	240,764	13,970
Total revenues	7,602,337	7,757,837	7,708,626	(49,211)
Expenditures				
Current:				
Public health and safety	3,103,708	3,118,218	2,933,420	184,798
Capital outlay	134,018	134,018	138,846	(4,828)
Total expenditures	3,237,726	3,252,236	3,072,266	179,970
Excess (deficiency) of revenues over (under) expenditures	4,364,611	4,505,601	4,636,360	130,759
Other financing sources (uses)				
Transfers in	273,873	305,873	300,214	(5,659)
Transfers out	(4,529,484)	(4,535,484)	(4,542,512)	(7,028)
Net other financing sources (uses)	(4,255,611)	(4,229,611)	(4,242,298)	(12,687)
Net change in fund balance	109,000	275,990	394,062	118,072
Fund balance - beginning	121,653	121,653	121,653	-
Fund balance - ending	\$ 230,653	\$ 397,643	\$ 515,715	\$ 118,072

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Transportation Trust Fund
Budget and Actual

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 3,227,049	\$ 3,227,049	\$ 3,259,727	\$ 32,678
Intergovernmental	19,603	19,603	22,766	3,163
Grants	-	5,200,000	2,948,843	(2,251,157)
Investment earnings	500	500	904	404
Other fees and miscellaneous revenues	10,000	10,000	18,934	8,934
Total revenues	3,257,152	8,457,152	6,251,174	(2,205,978)
Expenditures				
Current:				
Transportation	6,024,503	10,199,290	5,762,775	4,436,515
Capital outlay	180,000	1,937,213	882,270	1,054,943
Total expenditures	6,204,503	12,136,503	6,645,045	5,491,458
Excess (deficiency) of revenues over (under) expenditures	(2,947,351)	(3,679,351)	(393,871)	3,285,480
Other financing sources (uses)				
Transfers in	3,740,418	3,740,418	2,385,601	(1,354,817)
Transfers out	(793,067)	(793,067)	(713,728)	79,339
Net other financing sources (uses)	2,947,351	2,947,351	1,671,873	(1,275,478)
Net change in fund balance	-	(732,000)	1,278,002	2,010,002
Fund balance - beginning	952,710	952,710	952,710	-
Fund balance - ending	\$ 952,710	\$ 220,710	\$ 2,230,712	\$ 2,010,002

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Gas Tax Bond Series 2014
Budget and Actual

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Investment earnings	\$ -	\$ -	\$ 363	\$ 363
Total revenues	-	-	363	363
Expenditures				
Current:				
Transportation	-	3,901,500	49,000	3,852,500
Debt Service	-	866,500	6,621,742	(5,755,242)
Total expenditures	-	4,768,000	6,670,742	(1,902,742)
Excess (deficiency) of revenues over (under) expenditures	-	(4,768,000)	(6,670,379)	(1,902,379)
Other financing sources (uses)				
Loan proceeds	-	3,903,000	9,981,000	6,078,000
Transfers in	-	865,000	858,825	(6,175)
Net other financing sources (uses)	-	4,768,000	10,839,825	6,071,825
Net change in fund balance	-	-	4,169,446	4,169,446
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 4,169,446	\$ 4,169,446

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Road Construction
Budget and Actual

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 497,211	\$ 507,211	\$ 546,133	\$ 38,922
Intergovernmental	2,062,415	2,062,415	2,131,264	68,849
Grants	-	5,600,000	5,191,091	(408,909)
Investment earnings	200	200	56	(144)
Total revenues	2,559,826	8,169,826	7,868,544	(301,282)
Expenditures				
Current:				
Transportation	627,033	7,416,533	6,709,989	706,544
Capital outlay	1,526,000	2,184,500	290,865	1,893,635
Debt service	1,199,860	541,860	541,679	181
Total expenditures	3,352,893	10,142,893	7,542,533	2,600,360
Excess (deficiency) of revenues over (under) expenditures	(793,067)	(1,973,067)	326,011	2,299,078
Other financing sources (uses)				
Transfers in	793,067	793,067	713,728	(79,339)
Transfers out	-	(825,000)	(858,825)	(33,825)
Net other financing sources (uses)	793,067	(31,933)	(145,097)	(113,164)
Net change in fund balance	-	(2,005,000)	180,914	2,185,914
Fund balance - beginning	2,004,420	2,004,420	2,004,420	-
Fund balance - ending	\$ 2,004,420	\$ (580)	\$ 2,185,334	\$ 2,185,914

See accompanying notes to financial statements

Jackson County, Florida
Statement of Net Position
Proprietary Funds
Page 1 of 2

September 30, 2015

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
Assets				
Current assets				
Cash and cash equivalents	\$ 235,661	\$ 18,860	\$ 61,373	\$ 315,894
Accounts receivable, net	81,821	150,570	4,672	237,063
Due from other funds	-	-	60,828	60,828
Total current assets	317,482	169,430	126,873	613,785
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	80,981	-	-	80,981
Capital assets				
Nondepreciable	5,000	-	16,145	21,145
Depreciable, net	10,301,673	844,297	69,627	11,215,597
Total noncurrent assets	10,387,654	844,297	85,772	11,317,723
Total assets	10,705,136	1,013,727	212,645	11,931,508
Deferred outflows of resources				
Pensions	46,253	29,043	5,378	80,674
Total deferred outflows of resources	46,253	29,043	5,378	80,674
Total assets and deferred outflows of resources	\$ 10,751,389	\$ 1,042,770	\$ 218,023	\$ 12,012,182

See accompanying notes to financial statements

Jackson County, Florida
Statement of Net Position
Proprietary Funds
Page 2 of 2

September 30, 2015

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
Liabilities				
Current liabilities				
Accounts payable	\$ 50,290	\$ 17,486	\$ 2,753	\$ 70,529
Accrued interest payable	9,087	-	-	9,087
Due to other funds	86	163,109	-	163,195
Liabilities payable from restricted assets	32,364	-	-	32,364
Bonds payable - current	148,839	-	-	148,839
Total current liabilities	240,666	180,595	2,753	424,014
Noncurrent liabilities				
Revenue bonds payable	3,761,161	-	-	3,761,161
Net Pension Liability	105,689	66,362	12,289	184,340
Total noncurrent liabilities	3,866,850	66,362	12,289	3,945,501
Total liabilities	4,107,516	246,957	15,042	4,369,515
Deferred Inflows of resources				
Pensions	45,422	28,520	5,281	79,223
Total deferred inflows of resources	45,422	28,520	5,281	79,223
Net position				
Invested in capital assets, net of related debt	6,396,673	844,297	85,772	7,326,742
Restricted for				
Debt service	4,766	-	-	4,766
Other purposes	43,851	-	-	43,851
Unrestricted (deficit)	153,161	(77,004)	111,928	188,085
Total net position	6,598,451	767,293	197,700	7,563,444
Total liabilities, deferred inflows and net position	\$ 10,751,389	\$ 1,042,770	\$ 218,023	\$ 12,012,182

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Page 1 of 2

For the year ended September 30, 2015

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
Operating revenues				
Charges for services	\$ 904,871	\$ 154,330	\$ 59,835	\$ 1,119,036
Total operating revenues	904,871	154,330	59,835	1,119,036
Operating expenses				
Personal services	207,086	218,413	53,417	478,916
Utilities	129,011	20,387	-	149,398
Services and supplies	279,943	23,313	46,272	349,528
Repairs and maintenance	50,856	13,806	18,395	83,057
Other operating expenses	-	722	1,777	2,499
Depreciation	283,760	66,427	16,381	366,568
Total operating expenses	950,656	343,068	136,242	1,429,966
Net operating income (loss)	(45,785)	(188,738)	(76,407)	(310,930)

See accompanying notes to financial statements

Jackson County, Florida
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Page 2 of 2

For the year ended September 30, 2015

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS			Total
	NON-MAJOR FUNDS			
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
Nonoperating revenues (expenses)				
Interest income	13,358	1	33	13,392
Interest expense	(193,381)	-	-	(193,381)
Miscellaneous revenue	-	13,471	-	13,471
Total nonoperating revenues (expenses)	(180,023)	13,472	33	(166,518)
Income (loss) before contributions and transfers	(225,808)	(175,266)	(76,374)	(477,448)
Capital contributions	-	146,208	-	146,208
Transfers, net	-	165,175	60,828	226,003
Change in net position	(225,808)	136,117	(15,546)	(105,237)
Total net position - beginning, as previously stated	6,936,276	701,512	226,271	7,864,059
Change in accounting principle - note 23	(112,017)	(70,336)	(13,025)	(195,378)
Total net position - beginning, as restated	6,824,259	631,176	213,246	7,668,681
Total net position - ending	\$ 6,598,451	\$ 767,293	\$ 197,700	\$ 7,563,444

See accompanying notes to financial statements

Jackson County, Florida
Statement of Cash Flows
Proprietary Funds
Page 1 of 2

For the year ended September 30, 2015

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			Total
	Jackson Water/Sewer	NON-MAJOR FUNDS Parks and Recreation	Jackson Recycling	
Operating activities				
Receipts from customers and users	\$ 930,726	\$ 8,457	\$ 71,238	\$ 1,010,421
Payments to suppliers	(449,466)	(50,215)	(70,719)	(570,400)
Payments to employees	(214,245)	(222,910)	(54,250)	(491,405)
Net cash provided (used) by operating activities	267,015	(264,668)	(53,731)	(51,384)
Noncapital financing activities				
Transfers to/from other funds	-	165,175	60,828	226,003
Advance from/to other funds	228	150,687	(60,838)	90,077
Net cash provided (used) by noncapital financing activities	228	315,862	(10)	316,080
Capital and related financing activities				
	3,910,000	-	-	3,910,000
Capital contributions	-	146,208	-	146,208
Purchase of capital assets	(12,300)	(204,728)	-	(217,028)
Principal payments on capital debt	(4,483,000)	-	-	(4,483,000)
Interest payments on capital debt	(201,048)	-	-	(201,048)
Other receipts	-	13,471	-	13,471
Net cash (used) provided by capital and related financing activities	(786,348)	(45,049)	-	(831,397)
Investing activities				
Interest and dividends	13,356	-	34	13,390
Net cash provided by investing activities	13,356	-	34	13,390
Net increase (decrease) in cash and cash equivalents	(505,749)	6,145	(53,707)	(553,311)
Cash - beginning of the year	822,391	12,715	115,080	950,186
Cash - ending of the year	\$ 316,642	\$ 18,860	\$ 61,373	\$ 396,875

See accompanying notes to financial statements

Jackson County, Florida
Statement of Cash Flows
Proprietary Funds
Page 2 of 2

For the year ended September 30, 2015

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
Reconciliation of net operating income to net cash (used) provided by operating activities				
Net operating income (loss)	\$ (45,785)	\$ (188,738)	\$ (76,407)	\$ (310,930)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	283,760	66,427	16,381	366,568
(Increase) decrease in accounts receivable	25,780	(145,873)	11,403	(108,690)
(Increase) decrease in deposits	77	-	-	77
Increase (decrease) in accounts payable	3,183	3,516	(5,108)	1,591
Net cash provided (used) by operating activities	\$ 267,015	\$ (264,668)	\$ (53,731)	\$ (51,384)

See accompanying notes to financial statements

Jackson County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 1,058,636
Due from other governmental units	53
<hr/>	
Total assets	\$ 1,058,689
<hr/>	
Liabilities	
Due to others	\$ 477,350
Due to other governments	581,339
<hr/>	
Total liabilities	\$ 1,058,689
<hr/>	

See accompanying notes to financial statements

Jackson County, Florida Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jackson County, Florida (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2015.

Reporting Entity

Jackson County, Florida, located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 50,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The County was established August 12, 1822, by the First Session of the Territorial Legislative Council. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority from Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board with unexpended funds returned to the Board. The Tax Collector and Clerk of the Circuit Court also operate as a fee officer by retaining various fees collected by these offices. The Clerk of the Circuit Court also receives appropriated funds from the State of Florida to fund court-related activities. Separate accounting records and budgets are maintained by each individual office.

Blended component unit - The Jackson County Agriculture Center (Ag Center), a separate independent district from the County, is governed by a five member Board appointed by the Board of County Commissioners. The Ag Center was originally formed January 24, 1957 by the Governor of the State of Florida. For financial reporting purposes, the Ag Center is blended in the financial statements of the County as part of the special revenue funds.

Jackson County, Florida Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Compass Lake Municipal Service Taxing Unit (MSTU), was created by the Board pursuant to Section 125.01 (1)(g) of the Florida Statutes. The municipal service taxing unit was created for the unincorporated area known as Compass Lake in the Hills. An assessment against each lot was made for providing various services to the landowners of this area. Assessments are collected by the Tax Collector as part of the regular ad valorem tax collection schedule. The funds are remitted to the Compass Lake in the Hills Property Owners' Association, Inc. (a Florida not for profit corporation) which in turn is responsible for the administration of the funds. For financial reporting purposes, the MSTU is blended in the financial statements of the Board as a part of the special revenue funds.

Government-wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County, as a whole, excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguishes governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net position for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. Reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Jackson County, Florida Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Major revenue sources susceptible to accrual include: sales and use taxes, various motor fuel taxes, property taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The County's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting and the economic resources measurement focus. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Proprietary Funds are charges to customers for sales and services. Operating expenses for the Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

When expenditures are incurred for which committed, assigned or unassigned amounts could be used, it is the County's policy to use them in that order.

The County reports the following major governmental funds:

General Fund - The general fund is the Board's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.



Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fines and Forfeitures - This fund accounts for the fines and fees collected and remitted by the Clerk of the Courts. In addition, this fund accounts for grants and other funds collected for the purpose of law enforcement and court costs.

Transportation Trust - This fund accounts for the County's county gas tax revenue, motor fuel taxes and other shared revenue earmarked for general and administrative operations costs of the Public Works Department.

Gas Tax Bond Series 2014- This fund accounts for activity related to the 2014 gas tax bonds.

Road Construction - This fund accounts for the various revenues provided for the resurfacing and improving roads throughout the County.

The County reports the following major proprietary fund:

Water/Sewer System - This fund accounts for the revenues and expenses, capital assets and debt for the utility department of the County.

The County also reports the following fund type:

Agency Funds - The agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

The County reports the following blended component units:

Jackson County Ag Center – The Ag Center fund is used to account for the rental activity and maintenance of the Jackson County Ag Center complex.

Compass Lake in the Hills Municipal Services Taxing Unit – The MSTU fund is used to account for the municipal service taxes collected for Compass Lake in the Hills.

Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

The budgetary information presented for the general fund and any major special revenue funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

Property Appraiser and Sheriff - The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Property Appraiser and the Sheriff only budgeted revenue and expenditures appropriated by the Board of County Commissioners. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

Property Appraiser	Total Expenditures	Total Revenue
GAAP basis	\$ 921,957	\$ 921,957
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(7,044)	(7,044)
Budgetary basis	\$ 914,913	\$ 914,913

Sheriff	Total Expenditures	Total Revenue
GAAP basis	\$ 4,567,957	\$ 4,567,957
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(56,828)	(56,828)
Budgetary basis	\$ 4,511,129	\$ 4,511,129

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Jackson County, Florida
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, in reporting on investments owned. Generally, this statement requires various investments be reported at fair value, including debt securities and open-ended mutual funds.

Receivables

Receivables are shown at their net realizable value. See Note 5 for allowance for doubtful accounts.

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Inventories

Inventory items of materials and supplies, which are not significant in amount, are considered expenditures when purchased in the governmental funds. No physical inventory was taken at year end. The amounts are immaterial.

Capital Assets

The County's capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, storm water system, sidewalks, and similar items), are reported in the capital asset accounts of the County. Property and equipment with initial, individual costs that exceed \$5,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$5,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred. Capital assets purchased by the Clerk of Circuit Court, Property Appraiser, Supervisor of Elections, and Tax Collector are accounted for within the Board of County Commissioner's capital assets. The Sheriff maintains its own property records.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements, other than buildings	10-50
Machinery and equipment	3-30

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

General fund expenditures for insurance and similar services extending over more than one accounting period are accounted for as expenditures in the period of acquisition.

Deferred Revenues

Deferred revenues reported in the government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

Accumulated Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

The long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

Long-Term Debt

In the government-wide financial statements, outstanding debts are reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

Governmental Fund Balances

The County adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 13.

Net Position

For the year ending September 30, 2015, the County reports net position as restricted or unrestricted. Restricted net position have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is comprised of all other balances, including committed, assigned and unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The Board does not record encumbrances outstanding at year end.

Management Estimates and Assumptions

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The County has evaluated subsequent events through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued.

NOTE 2 - PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2015 millage rate assessed by the County was 7.9000 mills.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millage into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities.

All property is assessed according to its fair market value January 1, of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$24,607,320 and the bank balance was \$28,805,174. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the County to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the County to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2015, the market value and the carrying value of these funds was \$1,025,093. The funds are carried as a cash equivalent on the balance sheet at September 30, 2015 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. The County's investments in the Local Government Surplus Funds Trust Fund (Florida PRIME), which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2015, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2015, the County's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAM.

Interest Rate Risk

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2015, is 29 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM.

Custodial Credit Risk

At September 30, 2015, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

Concentration of Credit Risk

At September 30, 2015, the County did not hold any investments that were considered to have a concentration of credit risk.

Jackson County, Florida
Notes to Financial Statements

NOTE 4 - RESTRICTED ASSETS

The General Fund's cash is restricted as follows:

	Amount
Technology Escrow	\$ 187,688
Federal election activities	3,540
Sick leave buyback program	275,283
Total	\$ 466,511

The Transportation Trust Fund's cash is restricted for the sick leave buyback program in the amount of \$222,199 and for ongoing FEMA projects in the amount of 4,468,995.

The Gas Tax Bond Series 2014 fund's cash is restricted for bond payments in the amount of \$268,656.

The Nonmajor Governmental funds' cash is restricted for other programs in the amount of \$4,502,305.

Certain Enterprise Fund assets are restricted for debt service and future extension and improvements. Impact fees are recorded as contributed capital and may only be used for extensions to the Water System. The Jackson County Water/Sewer Fund's cash is restricted as follows:

	Amount
Debt service	\$ 35,159
Investment extension and improvements	45,822
Total	\$ 80,981

Jackson County, Florida
Notes to Financial Statements

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable of the Fire/Rescue Department is accounted for in the County's General Fund. Accounts receivable in the Fire/Rescue Department totaled \$1,134,900 and are shown net of the allowance for doubtful accounts and contractual adjustments of \$878,484. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

Accounts receivable for the General fund includes \$369,016 from franchise fees and royalties related to private landfills.

Accounts receivables for the Enterprise Fund are from various utility customers. No allowance for uncollectible accounts is deemed to be necessary.

NOTE 6 - INTERFUND BALANCES

Balances due to/from other funds at September 30, 2015 are as follows:

Receivable Fund	Payable Fund	
General fund	Fines and Forfeiture	\$ 136
	Nonmajor governmental funds:	
	Other special revenue funds	477,814
	Proprietary funds:	
	Parks and Recreation	163,109
Fine and Forfeitures	Jackson Water/Sewer	86
	General fund	31,383
	Road Construction	251,683
	Nonmajor governmental funds:	
	Other special revenue funds	60,111
Transportation Trust	General fund	311,328
	Nonmajor governmental funds:	
	Other special revenue funds	192,621
Gas Tax Bond Series 2014	Road Construction	53,741
Road Construction	Transportation	920,321
	Nonmajor governmental funds:	
	Other special revenue funds	45,999
	Jackson Water/Sewer	General fund
Nonmajor governmental funds	General fund	418,400
	Proprietary funds:	
	Fines and Forfeiture	572,875
	Nonmajor governmental funds:	
	Other special revenue funds	12,708
Total		\$ 3,573,143

Jackson County, Florida
Notes to Financial Statements

NOTE 6 - INTERFUND BALANCES (CONTINUED)

The General Fund and Fine and Forfeitures have amounts due to and from constitutional officers, which represent the return of excess monies due at the end of the fiscal year, from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Interfund transfers for the year ended September 30, 2015, consisted of the following:

Transfers to General Fund from:		
Fines and Forfeitures	\$ 4,542,512	
Nonmajor Governmental fund	2,918,276	
Total		\$ 7,460,788
Transfers to Fines and Forfeiture from:		
General Fund	31,383	
Nonmajor Governmental fund	268,831	
Total		300,214
Transfers to Transportation Trust from:		
General Fund	329,078	
Nonmajor Governmental fund	2,056,523	
Total		2,385,601
Transfers to Gas Tax Bond Series 2014:		
Road Construction		858,825
Transfers to Road Construction from:		
Transportation Trust		713,728
Transfers to Nonmajor Governmental Funds from:		
General fund	318,688	
Nonmajor Governmental funds	176,647	
Total		495,335
Subtotal		12,214,491
Transfers to Proprietary funds from:		
General fund		226,003
Total interfund transfers		\$ 12,440,494

Jackson County, Florida
Notes to Financial Statements

NOTE 6 - INTERFUND BALANCES (CONTINUED)

Transfers are used to (1) use fines and forfeiture revenues to finance sheriff's department expenses and use utility fees to finance general operating activities that are accounted for in general fund, (2) use revenue from inmate welfare fund to cover cost relating to inmate welfare expenses in other fund and use grant revenue to cover personal expense of the Drug Task force, (3) use local option gas tax to cover road and bridge operating expenses, (4) transfer fiscally constrained revenue to fund road raving expenditures in local option gas tax fund, (5) use local option gas tax to cover road construction projects, (6) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in other funds, (7) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in the proprietary funds.

NOTE 7 - DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2015, but not yet received by the County. The majority of these amounts were received in October and November 2015.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,631,346	\$ -	\$ -	\$ 2,631,346
Construction in progress	1,988,165	496,516	1,849,532	635,149
Total capital assets, not being depreciated	4,619,511	496,516	1,849,532	3,266,495
Capital assets, being depreciated:				
Buildings and improvements	34,916,625	569,226	-	35,485,851
Equipment	17,788,559	1,802,033	537,041	19,053,551
Roads	45,978,501	1,519,876	-	47,498,377
Infrastructure - Sidewalks	1,099,712	-	-	1,099,712
Total capital assets, being depreciated	99,783,397	3,891,135	537,041	103,137,491
Less: Total accumulated depreciation	41,283,906	3,993,368	537,041	44,740,233
Total capital assets, being depreciated, net	58,499,491	(102,233)	-	58,397,258
Governmental activities capital assets, net	\$ 63,119,002	\$ 394,283	\$ 1,849,532	\$ 61,663,753

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 21,145	\$ -	\$ -	\$ 21,145
Total capital assets, not being depreciated	21,145	-	-	21,145
Capital assets, being depreciated:				
Equipment	15,340,734	217,028	-	15,557,762
Total capital assets, being depreciated	15,340,734	217,028	-	15,557,762
Less: Total accumulated depreciation	3,975,597	366,568	-	4,342,165
Total capital assets, being depreciated, net	11,365,137	(149,540)	-	11,215,597
Business-type activities capital assets, net	\$ 11,386,282	\$ (149,540)	\$ -	\$ 11,236,742

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 257,227
Public safety	751,561
Transportation	2,339,097
Economic environment	4,007
Culture and recreation	118,152
Human services	421,575
Court related	101,749
Total depreciation expense-governmental activities	\$ 3,993,368

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Business-type activities

Water and sewer	\$ 283,760
Recycling	16,381
Parks and recreation	66,427
Total depreciation expense-business-type activities	\$ 366,568

NOTE 9 - LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Revenue bonds	\$ 6,406,464	\$ 9,981,000	\$ 6,833,464	\$ 9,554,000	\$ 863,000
Notes payable	408,000	-	48,000	360,000	48,000
Compensated absences	1,187,463	166,329	43,974	1,309,818	-
Landfill closure and post-closure costs	292,161	-	-	292,161	50,000
Total governmental activities:	8,294,088	10,147,329	6,925,438	11,515,979	961,000
Business-type activities:					
Revenue bonds	4,483,000	3,910,000	4,483,000	3,910,000	148,839
Total	\$ 12,777,088	\$14,057,329	\$11,408,438	\$ 15,425,979	\$ 1,109,839

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Payments on the notes, leases payable, and sales tax revenue bonds that pertain to the County's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Debt service requirements on long-term debt at September 30, 2015 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES			
	REVENUE BONDS		NOTES PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2016	\$ 863,000	\$ 210,139	\$ 48,000	\$ 6,854
2017	881,000	190,620	49,000	5,865
2018	901,000	170,686	51,000	4,845
2019	922,000	150,300	51,000	3,805
2020	943,000	129,432	53,000	2,744
2021-2025	5,044,000	311,353	108,000	2,224
Total	\$ 9,554,000	\$ 1,162,530	\$ 360,000	\$ 26,337

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES	
	REVENUE BONDS	
	PRINCIPAL	INTEREST
2016	\$ 148,839	\$ 106,830
2017	152,973	102,696
2018	157,221	98,448
2019	161,588	94,081
2020	166,076	89,594
2021-2025	902,184	376,165
2026-2030	1,034,620	243,728
2031-2035	1,186,499	91,848
Total	\$ 3,910,000	\$ 1,203,390

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Governmental Activities

Revenue Bonds

\$9,981,000, Gas Tax Revenue Bonds, Series 2014, payable in semi-annual installments of \$427,000 to \$530,000 through 2025, interest at 2.25%. Collateralized by pledged revenue generated from certain gas tax revenues. \$ 9,554,000

Total revenue bonds \$ 9,554,000

Notes Payable

\$500,000, Series 2012 Note, payable in semi-annual installments of \$54,793 to \$55,845 through 2021, interest at 2.04%. Collateralized by pledged revenue generated from certain gas tax revenues. \$ 360,000

Total notes payable \$ 360,000

Business-type activities

Revenue Bonds

\$3,910,000, Water and Sewer Revenue Bonds, Series 2015, payable in semi-annual installments of \$73,910 to \$126,096 through 2035, interest at 2.7583%. Collateralized by pledged revenue derived from the operation of the system. \$ 3,910,000

Total revenue bonds \$ 3,910,000

Total interest expense for the year ended September 30, 2015 was \$193,381 for the business-type activities. Interest paid during the year ended September 30, 2015 was \$201,048.

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Compensated Absences – All full time employees of the Board are entitled to an annual vacation and sick leave with pay. The employees are generally allowed to accumulate vacation leave of 280 hours. Upon termination the employee is paid 25% of accumulated sick leave up to 480, if the employee has 10 years or more of service to the Board. Vacation pay and sick leave payments are included in operating costs when the payments are made to the employees. The estimated commitment for annual leave at September 30, 2015 was \$1,309,818.

Long-term landfill closure and post-closure liability – this obligation relates to long-term landfill post-closure costs. See also Note 16.

NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the County carries commercial insurance. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes:

- General liability
- Automobiles
- Money and securities coverage

The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for the aircraft.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

All regular employees of the County are covered by the Florida Retirement System (FRS) Pension Plan and Retiree Health Insurance Subsidy (HIS) Program, two defined benefit plans administered by the Florida Department of Management Services, Division of Retirement. The Florida legislature has the authority to establish and amend retirement legislation and related bills of significance to members of the FRS and HIS plans (including benefit terms and contribution rates). Passed bills are presented to the Governor of Florida and approved before they may be enacted into law.

Plan Descriptions and Contribution Requirements

Florida Retirement System Pension Plan (FRS)

The FRS is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapters 121, Florida Statutes. FRS membership is compulsory for employers filing regularly established positions in a state agency, country agency, state university, state community college, or County school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special District's, charter schools and metropolitan planning organizations is optional.

The FRS has several classes of membership applicable to the County, including regular class, senior management, and DROP. Retirees receive a lifetime pension benefit with joint and survivor payment options. The FRS provides retirement, disability, and death benefits and annual cost-of-living adjustments. Benefits vest at six years, or number of years of service. The FRS also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. Benefits are computed on the basis of age, average final compensation and service credit.

DROP was established effective July 1, 1998, subject to provisions of Section 121.091, Florida Statutes. It permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payment while continuing employment with a Florida Retirement system employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Jackson County, Florida
Notes to Financial Statements

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

Retiree Health Insurance Subsidy Program (HIS)

The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 122.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year end June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$160 per month, pursuant to section 122.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

The FRS and HIS financial information is included in the Florida Retirement System (System) Pension Plan and Other State-Administered Systems' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The System CAFR, including audited financial information to support the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, are available online at: http://dms.myflorida.com/workforce_operations/retirement/publications.

The System CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Contributions
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll-free 877-377-1737

Contribution Requirements

The contribution rates for FRS and HIS members are established, and may be amended, by the State of Florida. The County is required to contribute at an actuarially determined rate. These rates are percentages of annual covered payroll. The FRS and HIS contribution rates were as follows:

Class or Plan	Year ended September 30,		
	2015	2014	2013
Florida Retirement System:			
Regular	7.37%	6.95%	5.18%
County Elected Officers	43.24%	33.03%	10.23%
Senior Management Service Class	21.14%	18.31%	6.30%
Special Risk	19.82%	19.06%	14.90%
DROP	12.28%	12.84%	5.44%

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

Rates include 1.66% for HIS, and 0.04% for Administrative fee for 2015; 1.26% for HIS and .04% for Administrative fee for 2014.

Employees contribute 3% of their salary, except for members of DROP.

The County's contributions recognized during the fiscal year ended June 30, 2015 by the FRS and HIS were \$1,494,491 and \$163,871 respectively.

FRS and HIS Collective Net Pension Liability

Basis for Accounting

Information about the FRS and HIS assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position can be found in the System CAFR. The System CAFR is available online or can be obtained as mentioned previously. The FRS and HIS fiduciary net position and additions to/deductions from the fiduciary net position have been determined based on the System's records, which utilize the flow of economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable. Investments are reported at fair value. Contributions are recognized as revenue when due, pursuant to statutory and contractual requirements. There have been no significant changes since the publication of the System CAFR.

Actuarial Methods and Assumptions

Actuarial assumptions for both the FRS and HIS are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually and the HIS has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2014 for the period July 1, 2008 through June 30, 2013. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for the FRS and HIS was determined by an actuarial valuation as of July 1, 2015 using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables. Both the discount rate and long-term expected rate of return used for FRS investments is 7.65%. The FRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine its total pension liability. In September 2014, the Actuarial Assumptions Conference adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index. As

Jackson County, Florida
Notes to Financial Statements

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

of June 30, 2015, the FRS long-term rate of return remained unchanged at 7.65% and the municipal rate used by HIS decreased from 4.29% to 3.80%. The inflation rate assumption was unchanged at 2.60%, the real payroll growth assumption was decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%.

Long-term Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumption Conference reviewed assumptions by Milliman's capital markets assumption team and by a capital market assumptions team from Aon Hewitt Investment Consulting. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equity	53.00%	8.50%
Real Estate (Property)	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	100.00%	

County's Share of Net Pension Liability

Employers participating in the FRS and HIS were provided pension allocation schedules for use in recording their proportionate share of the FRS and HIS net pension liability in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The underlying financial information used to prepare the pension allocation schedules is based on the same basis as mentioned previously.

At September 30, 2015, the County reported a net pension liability of \$12,279,525 for its proportionate share of the collective net pension liability of the FRS and HIS. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations dated July 1, 2015.

Jackson County, Florida
Notes to Financial Statements

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

The County's proportionate share was calculated using accrued retirement contributions for employees that were members of the FRS and HIS during fiscal years 2013-14 and 2014-15. The aggregate employer contribution amounts for the year ended June 30, 2014 agree to the employer contribution amounts reported in the State of Florida CAFR. The aggregate employer contribution amounts for the fiscal year ended June 30, 2015 agree to the employer contribution amounts reported in the System CAFR.

The County's proportionate share was applied to the collective net pension liability of FRS and HIS and other pension amounts applicable to the fiscal year to calculate the County's proportionate share of the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. The following table presents information on the County's proportionate share of the FRS and HIS.

	FRS		HIS		County Total
Proportionate Share of Net Pension					
Liability at June 30, 2015	\$ 7,907,595	\$	4,371,930	\$	12,279,525
County's proportion at June 30, 2015	0.0006130		0.0004290		0.0010420
County's proportion at June 30, 2014	0.0006090		0.0004300		0.0010390
Change in proportion during current year	0.0000040		-0.0000010		0.0000030

For the year ended September 30, 2015, the County recognized pension expense of \$893,884. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	FRS		HIS		County Total
					Deferred Outflow/ (Deferred Inflow)
Differences between expected and actual experience	\$ 648,069	\$	-	\$	648,069
Change of assumption	525,506		343,957		869,463
Net difference between projected and actual investment earnings	(1,890,548)		2,367		(1,888,181)
Changes in proportion	34,241		(19,348)		14,893
County contributions subsequent to the measurement date	397,019		55,363		452,382
Total	\$ (285,713)	\$	382,339	\$	96,626

Jackson County, Florida
Notes to Financial Statements

NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

Deferred outflows of resources of \$452,382 are reported by the County for employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<i>Fiscal Year Ending June 30,</i>	FRS	HIS	<u>County Total</u>
			Deferred Outflow/ (Deferred Inflow)
2016	\$ (244,732)	\$ 52,948	\$ (191,784)
2017	(244,732)	52,948	(191,784)
2018	(244,732)	52,948	(191,784)
2019	(244,732)	52,947	(191,785)
2020	227,904	52,356	280,260
Thereafter	68,369	62,828	131,197
Total	\$ (682,655)	\$ 326,975	\$ (355,680)

Discount Rate Sensitivity Analysis

The following tables demonstrate the sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The sensitivity shows the impact if the discount rate was 1.0% higher or 1.0% lower than the current discount rate at June 30, 2015.

<u>FRS Net Pension Liability</u>			<u>HIS Net Pension Liability</u>		
Current			Current		
1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
6.65%	7.65%	8.65%	2.80%	3.80%	4.80%
\$ 20,515,841	\$ 7,907,595	\$ (2,566,525)	\$ 4,981,612	\$ 4,371,930	\$ 3,863,549

NOTE 12 - GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2015, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

Jackson County, Florida
Notes to Financial Statements

NOTE 13 - FUND BALANCE

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2015, the County reports net position as restricted, committed, assigned and unassigned. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed net position has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned net position has constraints placed on the use of resources by the County's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Restricted Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Vessel fees	\$ 82,221	
	Tax Deeds	104,747	
	Total general fund		\$ 186,968
Special Revenue Fund	Gas Tax Bond Series 2014		4,169,446
	Nonmajor governmental funds		
	Local Law Enforcement	127,468	
	Drug Court	30,522	
	Crime prevention	82,466	
	Courts facility fund	1,327,570	
	JCDC Tax	1,718,458	
	Anti-drug abuse	27,429	
	Inmate Welfare Fund	199,086	
	Additional court costs	331,358	
	Contraband forfeitures	51,778	
	Modernization of public records	179,154	
	Total nonmajor governmental funds		4,075,289
	Total restricted fund balance		\$ 8,431,703

Jackson County, Florida
Notes to Financial Statements

NOTE 13 - FUND BALANCE (CONTINUED)

Committed Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Sick Leave	\$ 275,283	
	Prior year Improvements	464,690	
	Total general fund		\$ 739,973
Special Revenue Fund	Funding for:		
	Transportation Trust		222,198
	Road Construction		2,185,334
	Nonmajor governmental funds		
	Compass Lake MSTU	273,398	
	Court construction improvement	47,253	
	Law Library	21,414	
	Mosquito Control	23,480	
	Russ House	123,890	
	West Jackson County Dev. Authority	273,802	
	Total nonmajor governmental funds		763,237
Total committed fund balance			\$ 3,910,742

Jackson County, Florida
Notes to Financial Statements

NOTE 13 - FUND BALANCE (CONTINUED)

Assigned Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Administration Building Fund	\$ 1,444,245	
	BP settlement funds	434,519	
	Wellness funds	26,546	
	Technology Escrow	155,989	
	Library Donations	41,884	
	Total general fund		\$ 2,103,183
Special Revenue Fund	Funding for:		
	Fines and Forfeitures		515,715
	Transportation Trust		2,008,514
	Nonmajor governmental funds		
	Local Option Gas Tax	762,688	
	Utility Fee fund	523,786	
	Jackson County Ag Complex	140,046	
	Other Debt Service	101,513	
	E911	114,133	
	Sheriff Aviation Fund	33,671	
	Emergency Management Grant	1,000	
	Contraband forfeitures	19,195	
	Crime prevention	22	
	Solid Waste Recycling Grant	404	
	Total nonmajor governmental funds		1,696,458
	Total assigned fund balance		\$ 6,323,870

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - LITIGATION AND CONTINGENT LIABILITIES

The County is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the County's financial position.

NOTE 15 - RECLASSIFICATION

Certain 2014 amounts have been reclassified to conform with 2015 classifications. Such reclassification had no effect on reported net income.

NOTE 16 - LANDFILL CLOSURE/LONG-TERM CARE ESCROW

The County is no longer required to maintain the landfill management escrow account because the required long-term care period for the landfill has passed. Specific Condition 5.0 Financial Assurance of Permit No. 0077605-004-SF states that the financial assurance for the landfill is not required. The monitoring at the site is for the continued contamination assessment as discussed in Note 17.

The Board has adopted GASB Statement No. 18, which requires recognition of landfill post-closure care costs in the Board's long-term debt. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions after closure. At September 30, 2015, the amount of \$292,161 in long-term debt recognizes the remaining year of long-term care period. The above estimate is based on current prices; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Contractual Commitments

At September 30, 2015, the Board had contractual commitments for construction projects, equipment purchases and leases in excess of amounts recognized in the financial statements.

Balances remaining on uncompleted contracts at September 30, 2015:

Flat Road	\$ 1,841,013
2015 Chip Seal Project	\$ 601,013
FDOT SCOP - Birchwood	\$ 512,372
Miscellaneous road repairs	\$ 233,968
FDOT SCRAP - Pebble Hill	\$ 116,226
Replace Well 1 - Cottondale Utility System	\$ 20,800
Meadowview Road	\$ 14,500

NOTE 17 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Workers Compensation Cases

There are two workers compensation cases outstanding at year end that are associated with the Governmental Risk Insurance Trust (GRIT). The future medical costs of these claims are estimated to be \$589,908 and \$96,697 over ten years.

Jackson County East Landfill—Remedial Action Plan

Jones, Edmunds & Assoc. have been working with the County and the Florida Department of Environmental Protection (FDEP) to remediate contamination detected in the groundwater at the Jackson County East Landfill. The contamination is caused by migrating landfill gas in contact with the groundwater. FDEP evaluated the site and agreed that landfill gas was a problem and approved the installation of a landfill gas extraction system that was proposed by Jones Edmunds and approved by the County. The landfill gas system was installed in 2010 with additional gas extraction wells installed in 2013. Since the landfill gas extraction system installation, the landfill gas in the waste has decreased and the groundwater contamination is decreasing.

In addition to the landfill gas system, part of the contamination remediation was to install replacement groundwater monitoring wells at the site as it appears, from discrepancies in measured well depths, that six wells were damaged. FDEP required the wells to be replaced a schedule of two wells per year for three years and all of the landfill monitoring wells have been replaced.

Due to the contamination, FDEP is requiring continued groundwater monitoring past the end of long-term care at the landfill. The annual groundwater monitoring and reporting to FDEP will be approximately \$50,000 per year. This includes:

- Quarterly monitoring of 3 off-site potable wells.
- Semiannual monitoring of 6 on-site groundwater wells.
- Quarterly landfill gas monitoring and trend analyses showing that the gas extraction system is working.

NOTE 18 - SUBSEQUENT EVENTS

Subsequent to year end, the County has signed agreements with various agencies for grant funding for various projects.

Subsequent to year end, the County has entered into contracts for various construction projects totaling in excess of \$7.1 million.

NOTE 18 - SUBSEQUENT EVENTS (CONTINUED)

Russ House

During the prior fiscal year, the County and the City of Marianna jointly purchased the Russ House property. The County's portion of the purchase price was \$174,546. These funds were deposited in the Russ House Account and will be utilized to maintain and repair the Russ House. As of September 30, 2015 the necessary repairs have not been made. During April 2016, the Board approved phase one of the Russ House renovations in the amount of \$268,549.

Equipment Purchases

Subsequent to year end, the Board purchased various fixed assets including ambulances, an excavator, vehicles and other equipment costing approximately \$1,131,000.

Guaranteed Energy Project – Equipment Lease/Purchase Agreement

Subsequent to year end, the board entered into an agreement with Johnson Controls to implement a guaranteed energy project to renovate County buildings and utilize energy savings to repay the loan. The County awarded the financing for the project to Bank of America in the amount of \$2,933,650 for a fifteen (15) year term.

NOTE 19 - BUDGET

Budgets were not prepared for the Sheriff's special revenue funds.

The County had expenditures that were in excess of the budget for the Gas Tax Bond Series 2014 fund. This is a technical violation of Florida Statutes, Chapter 129.

NOTE 20 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$99,486.

Jackson County, Florida Notes to Financial Statements

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description – The Jackson County Board of County Commissioners (the “Board”) administers a single-employer defined benefit healthcare plan (the “Plan”). In accordance with Section 112.0801 of the Florida Statutes, because Jackson County provides a medical plan to active employees of the County and their eligible dependents, the Board is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides healthcare benefits including medical coverage and life insurance coverage to both active and eligible retired employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the Board and the Constitutional officers. For regular, senior management service and elected officials, participants are eligible for normal retirement upon attaining the earlier of 1) six years of service and age 62 or 2) 30 years of service regardless of age. For Special Risk, participants are eligible for normal retirement upon attaining the earlier of 1) six years of special risk service and age 55 or 2) 25 total years of service consisting both of special risk service up to four years of military service and age 52 or 3) 25 total years of special risk service, regardless of age or 4) 30 years of any credible service, regardless of age.

Benefits Provided – The Board provides post-employment healthcare and life insurance to its retirees. Health benefits are provided through the Board’s healthcare provider, Blue Cross Blue Shield of Florida (BCBSFL). The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the County’s plan becomes secondary.

Membership – At September 30, 2015, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	326
Retirees and beneficiaries currently receiving benefits	24
Total membership	350
<hr/>	
Participating employers	1
<hr/>	

Funding Policy – A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2015 was \$179,110. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

Jackson County, Florida
Notes to Financial Statements

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Annual OPEB and Net OPEB Obligation – The Board’s annual other post-employment benefit (OPEB) cost (expenses) is calculated based on the annual required contribution of the employer (the “ARC”) actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a closed period not to exceed 15 years. The following shows the components of the Board’s net OPEB obligation:

September 30,	2015
Annual required contribution	\$ 277,000
Interest on prior year net OPEB obligation	50,000
Adjustments to annual required contribution	(94,000)
Annual OPEB costs	233,000
Estimated employer contribution made	(110,000)
Increase (decrease) in net OPEB obligation	123,000
Net OPEB obligation, beginning of year	1,248,000
<u>Estimated net OPEB obligation, end of year</u>	<u>\$ 1,371,000</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2015 and the prior two (2) years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 295,000	35.9%	\$ 1,076,000
9/30/2014	\$ 305,000	38.8%	\$ 1,248,000
9/30/2015	\$ 233,000	39.7%	\$ 1,371,000

Jackson County, Florida
Notes to Financial Statements

NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Funded Status and Funding Progress – As of September 30, 2015, the actuarial accrued liability of \$1,980,000 was unfunded. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC's of employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements in the government-wide financial statements of Jackson County, Florida, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Method and Assumptions – The valuation dated October 1, 2014, for the fiscal date of October 1, 2014 to September 30, 2015, was prepared using generally accepted accrual principles and practices, and relied on unaudited census data and medical claims data reported by the Board. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumption included a 4.0% investment rate of return. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized over 15 years assuming 5 annual level payments. The remaining amortization period at September 30, 2015 was 15 years.

Post-Employment Benefits Plan Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liabilities (AAL)	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
10/1/2010	\$ -	\$ 3,037,000	\$ 3,037,000	0.00%	N/A	N/A
10/1/2012	\$ -	\$ 2,326,000	\$ 2,326,000	0.00%	N/A	N/A
10/1/2014	\$ -	\$ 1,980,000	\$ 1,980,000	0.00%	N/A	N/A

Jackson County, Florida
Notes to Financial Statements

NOTE 22 - OPERATING LEASES

The Tax Collector leases various buildings under operating leases with yearly lease terms. Rental expense under operating leases for the year ended September 30, 2015 was \$20,040.

Minimum future lease payments under operating leases as of September 30, 2015 and for each year until expiration are:

2016	\$ 12,540
Total minimum future lease payments	\$ 12,540

NOTE 23 – CHANGE IN ACCOUNTING PRINCIPLE

In 2015, the County implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 27* and also GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*. Upon adoption of these statements, the County’s proportionate share of the collective net pension liability and deferred outflows for contributions were recorded, resulting in a restatement of beginning net position for governmental activities as shown in the table below:

	Governmental Activities	Business-Type Activities	Total
Proportionate Share of Net Pension Liability	\$ 7,612,990	\$ 116,028	\$ 7,729,018
Deferred Outflows - Pension Contributions	(1,516,811)	(23,117)	(1,539,928)
Deferred Inflows	6,723,246	102,467	6,825,713
Adjustment to Net Position	\$ 12,819,425	\$ 195,378	\$ 13,014,803

Elements of Restatement:

Net Position - Beginning of Year	\$ 67,667,064	\$ 7,864,059	\$ 75,531,123
Adjustment to Net Position from GASB 68	(12,819,425)	(195,378)	(13,014,803)
Net Position - Beginning of Year as Restated	\$ 54,847,639	\$ 7,668,681	\$ 62,516,320



**COMBINING FINANCIAL
STATEMENTS**

Page 1 of 2
Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2015

	Special Revenue Funds					
	Local Option Gas Tax	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU
Assets						
Cash and cash equivalents	\$ 80,918	\$ 115,730	\$ 392,113	\$ -	\$ -	\$ 178,445
Restricted cash and cash equivalents	-	-	-	1,364,017	1,679,169	-
Accounts receivable	-	-	-	-	-	94,954
Inventory	21,101	-	-	-	-	-
Due from other funds	364,121	1,097	-	-	105	-
Due from other governmental units	535,167	17,288	-	19,346	43,519	-
Total assets	\$ 1,001,307	\$ 134,115	\$ 392,113	\$ 1,383,363	\$ 1,722,793	\$ 273,399
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ 19,982	\$ 1,994	\$ 1,075	\$ 4,335	\$ -
Due to other funds	238,619	-	-	54,718	-	-
Due to other governmental units	-	-	-	-	-	-
Deferred revenue	-	-	390,119	-	-	-
Total liabilities	238,619	19,982	392,113	55,793	4,335	-
Fund balances						
Restricted	-	-	-	1,327,570	1,718,458	-
Committed	-	-	-	-	-	273,399
Assigned	762,688	114,133	-	-	-	-
Total fund balances	762,688	114,133	-	1,327,570	1,718,458	273,399
Total liabilities and fund balances	\$ 1,001,307	\$ 134,115	\$ 392,113	\$ 1,383,363	\$ 1,722,793	\$ 273,399

See Independent Auditors' Report

Page 2 of 2
Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2015

	Special Revenue Funds				Debt Service Funds		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Utility Fee Fund	Other Special Revenue Funds	Other Debt Service Funds		
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ 66,679	\$ 987,488	\$ 101,513	\$ 1,922,886	
Restricted cash and cash equivalents	199,280	51,706	-	1,208,133	-	4,502,305	
Accounts receivable	5,199	-	271,926	13,953	-	386,032	
Inventory	-	-	-	-	-	21,101	
Due from other funds	-	72	572,874	65,714	-	1,003,983	
Due from other governmental units	-	-	-	126,737	-	742,057	
Total assets	\$ 204,479	\$ 51,778	\$ 911,479	\$ 2,402,025	\$ 101,513	\$ 8,578,364	
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 168,124	\$ -	\$ 195,510	
Due to other funds	5,393	-	387,693	102,830	-	789,253	
Due to other governmental units	-	-	-	220,956	-	220,956	
Deferred revenue	-	-	-	447,542	-	837,661	
Total liabilities	5,393	-	387,693	939,452	-	2,043,380	
Fund balances							
Restricted	199,086	51,778	-	778,397	-	4,075,289	
Committed	-	-	-	489,838	-	763,237	
Assigned	-	-	523,786	194,338	101,513	1,696,458	
Total fund balances	199,086	51,778	523,786	1,462,573	101,513	6,534,984	
Total liabilities and fund balances	\$ 204,479	\$ 51,778	\$ 911,479	\$ 2,402,025	\$ 101,513	\$ 8,578,364	

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds

For the year ended September 30, 2015

	Special Revenue Funds					
	Local Option Gas Tax	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU
Revenues						
Taxes	\$ 2,253,561	\$ -	\$ -	\$ -	\$ 284,352	\$ 725,601
Intergovernmental	-	-	-	-	1,059	-
Charges for services	-	173,524	-	214,777	-	-
Fines and forfeitures	-	-	-	-	-	-
Grants	-	11,893	276,305	-	20,000	-
Investment earnings	5,096	327	58	-	11,426	40
Other fees and miscellaneous revenues	-	-	13,689	-	-	-
Total revenues	2,258,657	185,744	290,052	214,777	316,837	725,641
Expenditures						
Current:						
General government	-	-	-	-	-	151,712
Public health and safety	-	200,654	-	-	-	65,488
Physical environment	-	-	-	-	-	-
Transportation	67,994	-	-	-	-	307,617
Economic environment	-	-	290,052	-	238,447	-
Human services	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	219,711
Court related	-	-	-	20,086	-	-
Capital outlay	5,000	-	-	176,028	-	-
Total expenditures	72,994	200,654	290,052	196,114	238,447	744,528
Excess (deficiency) of revenues over (under) expenditures	2,185,663	(14,910)	-	18,663	78,390	(18,887)
Other financing sources (uses)						
Transfers in	-	14,910	-	-	-	-
Transfers out	(2,273,762)	-	-	(218,873)	-	-
Net other financing sources (uses)	(2,273,762)	14,910	-	(218,873)	-	-
Net change in fund balances	(88,099)	-	-	(200,210)	78,390	(18,887)
Fund balances - beginning	850,787	114,133	-	1,527,780	1,640,068	292,286
Fund balances - ending	\$ 762,688	\$ 114,133	\$ -	\$ 1,327,570	\$ 1,718,458	\$ 273,399

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2015

	Special Revenue Funds				Debt Service Funds		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Utility Fee Fund	Other Special Revenue Funds	Other Debt Service Funds		
Revenues							
Taxes	\$ -	\$ -	\$ 2,920,808	\$ -	\$ -	\$ -	\$ 6,184,322
Intergovernmental	-	-	-	17,434	-	-	18,493
Charges for services	96,724	-	-	198,416	-	-	683,441
Fines and forfeitures	-	24,194	-	123,378	-	-	147,572
Grants	-	-	-	614,803	-	-	923,001
Investment earnings	-	86	128	591	356	-	18,108
Other fees and miscellaneous revenues	483	-	-	170,702	-	-	184,874
Total revenues	97,207	24,280	2,920,936	1,125,324	356	-	8,159,811
Expenditures							
Current:							
General government	-	-	-	73,085	-	-	224,797
Public health and safety	57,331	17,460	-	313,940	-	-	654,873
Physical environment	-	-	-	89,713	-	-	89,713
Transportation	-	-	-	-	-	-	375,611
Economic environment	-	-	-	2,538	-	-	531,037
Human service	-	-	-	16,043	-	-	16,043
Culture/recreation	-	-	-	345,073	-	-	564,784
Court related	-	-	-	307,571	-	-	327,657
Capital outlay	-	121,105	-	337,644	-	-	639,777
Total expenditures	57,331	138,565	-	1,485,607	-	-	3,424,292
Excess (deficiency) of revenues over (under) expenditures	39,876	(114,285)	2,920,936	(360,283)	356	-	4,735,519
Other financing sources (uses)							
Transfers in	-	-	-	480,425	-	-	495,335
Transfers out	(49,958)	-	(2,680,250)	(197,434)	-	-	(5,420,277)
Net other financing sources (uses)	(49,958)	-	(2,680,250)	282,991	-	-	(4,924,942)
Net change in fund balances	(10,082)	(114,285)	240,686	(77,292)	356	-	(189,423)
Fund balances - beginning	209,168	166,063	283,100	1,539,865	101,157	-	6,724,407
Fund balances - ending	\$ 199,086	\$ 51,778	\$ 523,786	\$ 1,462,573	\$ 101,513	\$ -	\$ 6,534,984

See Independent Auditors' Report

Page 1 of 2
Jackson County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	<i>Clerk of the Circuit Court</i>					<i>Board</i>
	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Inmate Welfare
Assets						
Cash and cash equivalents	\$ 230,151	\$ 20,250	\$ 377	\$ 51,946	\$ 76,676	\$ 62,617
Due from other governmental units	-	-	53	-	-	-
Total assets	\$ 230,151	\$ 20,250	\$ 430	\$ 51,946	\$ 76,676	\$ 62,617
Liabilities						
Due to others	\$ 230,151	\$ 20,250	\$ 430	\$ 51,946	\$ 76,676	\$ 62,617
Due to other governments	-	-	-	-	-	-
Total liabilities	\$ 230,151	\$ 20,250	\$ 430	\$ 51,946	\$ 76,676	\$ 62,617

See Independent Auditors' Report

Page 2 of 2
Jackson County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	<i>Tax Collector</i>					<i>Sheriff</i>	Total Agency Funds	
	Credit Cards	License and Boat	Tag	Tax	Driver's License			
Assets								
Cash and cash equivalents	\$ 7,014	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 35,280	\$ 1,058,636	
Due from other governmental units	-	-	-	-	-	-	53	
Total assets	\$ 7,014	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 35,280	\$ 1,058,689	
Liabilities								
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,280	\$ 477,350	
Due to other governments	7,014	780	60,019	509,542	3,984	-	581,339	
Total liabilities	\$ 7,014	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 35,280	\$ 1,058,689	

See Independent Auditors' Report



**REQUIRED SUPPLEMENTARY
INFORMATION**

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 3 Fiscal Years)

	2015	2014	2013
County's proportion of the net pension liability	0.061300000%	0.060900000%	0.061060000%
County's proportionate share of the net pension liability (asset)	\$ 7,907,595	\$ 3,707,706	\$ 10,510,427
County's covered - employee payroll	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
County's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	58.02%	28.08%	78.37%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%	N/A

Note: Data was unavailable prior to 2013

Jackson County, Florida
Schedule of Contributions
Florida Retirement System (Last 3 Fiscal Years)

	2015	2014	2013
Contractually required contributions	\$ 1,494,491	\$ 1,333,286	\$ 2,827,777
Contributions in relation to the contractually required contribution	(1,494,491)	(1,333,286)	(2,827,777)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
Contributions as a percentage of covered-employee payroll	10.96%	10.10%	21.09%

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Health Insurance Subsidy (Last 3 Fiscal Years)

	2015	2014	2013
County's proportion of the net pension liability	0.042900000%	0.043000000%	0.043100000%
County's proportionate share of the net pension liability (asset)	\$ 4,371,930	\$ 4,021,312	\$ 3,756,239
County's covered - employee payroll	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
County's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	32.08%	30.46%	28.01%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%	N/A

Note: Data was unavailable prior to 2013

**Jackson County, Florida
Schedule Contributions
Health Insurance Subsidy (Last 3 Fiscal Years)**

	2015	2014	2013
Contractually required contributions	\$ 163,871	\$ 147,329	\$ 311,200
Contributions in relation to the contractually required contribution	(163,871)	(147,329)	(311,200)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
Contributions as a percentage of covered-employee payroll	1.20%	1.12%	2.32%



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Schedule of Receipts and Expenditures Related to the
Deepwater Horizon Oil Spill
Year Ended September 30, 2015

Source	Amount Received in the 2014-15 Fiscal Year	Amount Expended in the 2014-15 Fiscal Year
British Petroleum	\$ 434,519	\$ -

Note: This schedule does not include funds related to the Deepwater Horizon oil spill that are considered federal awards or state financial assistance. No such funds were received in the 2014-15 fiscal year.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Jackson County, Florida (the "County") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Jackson County, Florida's basic financial statements and have issued our report dated June 23, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiency described in the accompanying schedule of findings and questioned costs as item SH06-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiencies described in the accompanying schedule of findings and questioned costs as items PA06-01, TC06-01 and SH15-01 to be significant deficiencies.

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary Riggs & Ingram, L.L.C.

June 23, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Jackson County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Chapter 10.550, State of Florida Rules of the Auditor General (Auditor General) that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2015. The County's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the County's compliance.

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Opinion on Each Major Federal Program and Major State Project

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

June 23, 2016

Page 1 of 3
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2015

Federal Agency Pass through entity Federal Program	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
US Department of Homeland Security			
Pass through Florida Executive Office of Governor			
Homeland Security Grant Program	97.067	15-DS-P4-02-41-01-406	\$ 2,512
Homeland Security Grant Program	97.067	14-DS-L5-01-41-01-391	14,200
			16,712
Pass through Florida Executive Office of Governor			
Emergency Management Performance Grants FY 14-15	97.042	15-FG-4D-02-41-01-099	36,884
Emergency Management Performance Grants FY 15-16	97.042	16-FG-5A-02-41-01-098	12,341
			49,225
Pass through Florida Executive Office of Governor			
Disaster Grants - Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036	15-SP-8Z-02-42-02-526	2,190,539
Pass through Florida Executive Office of Governor			
Hazard Mitigation Grant	97.039	16HM-H4-01-41-01-234	28,125
Total US Department of Homeland Security			2,284,601
US Department of Justice			
Pass through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance (JAG)	16.738	2014-DJ-BX-0894	11,768
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2015-JAGC-JACK-1-R3-146	32,606
Edward Byrne Memorial Justice Assistance Grant - Anti-Drug Abuse Act Funds	16.738	2015-JAGC-JACK-2-D7-258	11,267
Total US Department of Agriculture			55,641
US Department of Transportation, Federal Highway Administration			
Pass through Florida Department of Transportation			
Highway Planning and Construction (LAP) CR 162	20.205	AR500	1,619,819
Pass through Florida Department of Environmental Protection			
Recreational Trails Program - Chipola Greenway Trail	20.219	T1013B	146,208
Total US Department of Transportation, Federal Highway Administration			1,766,027
US Department of Health and Human Services, Administration for Children & Families			
Pass through Florida Agency for Children & Families, Office of Child Support Enforcement			
Child Support Enforcement	93.563	CD332	121,889
Total US Department of Health and Human Services, Administration for Children & Families			121,889
US Election Assistance Commission			
Pass through Florida Department of State			
Help America Vote Act Requirement Payments - Federal Election Activities	90.401	MOA 2013-2014-0001	528
Help America Vote Act Requirement Payments - Federal Election Activities	90.401	MOA 2013-2014-0001-R	4,860
Help America Vote Act Requirement Payments - HHS Grant Polling Place	90.401	MOA 2014-2015-0001-JAC	4,218
Help America Vote Act Requirement Payments - HHS Grant Polling Place	90.401	MOA 2015-2016-0002	8,330
Total US Election Assistance Commission			17,936
Total Expenditures of Federal Awards			\$ 4,246,094

See Independent Auditors' Report

Page 2 of 3
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2015

State Agency State Program Title State Financial Assistance Projects	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Transportation			
Transportation Systems Operations Program			
Small County Outreach Program (SCOP) - Ellaville	55.009	AR442	\$ 686,786
Small County Outreach Program (SCOP) - CR 69A	55.009	AR441	1,735,898
Small County Outreach Program (SCOP) - Birchwood	55.009	ARK10	1,005,023
			3,427,707
Highway Operations Program			
Small County Road Assistance Program (SCRAP) - Pebble Hill	55.016	ARK03	143,564
Total Florida Department of Transportation			3,571,271
Florida Housing Finance Corporation			
Florida Housing Finance Corporation Program			
State Housing Initiatives Partnership Program (SHIP)	52.901	n/a	276,305
Total Florida Housing Finance Corporation			276,305
Florida Department of Environmental Protection			
Waste Management Program			
Small County Consolidated Grant	37.012	518SC	86,456
Total Florida Department of Environmental Protection			86,456
Florida Department of State and Secretary of State			
Library and Information Services Program			
Public Library Construction Program	45.020	16-PLC-03	7,750
State Aid to Libraries	45.030	15-ST-69	182,700
Total Florida Department of State and Secretary of State			190,450
Florida Executive Office of the Governor			
Emergency Management Program			
Emergency Management Projects - Florida Hazardous Materials Planning and Prevention	31.067	15-CP-11-02-41-01-226	3,257
Emergency Management Program - FEMA DR 4177 (2014 Spring Flood)	31.063	15-SP-8Z-02-42-02-526	730,180
Emergency Management Program - Emergency Management Assistance (EMPA)	31.063	16-BG-83-02-41-01-031	18,998
Emergency Management Program - Emergency Management Assistance (EMPA)	31.063	15-BG-83-02-41-01-032	83,221
Total Emergency Management Program			832,399
Total Florida Executive Office of the Governor			835,656

See Independent Auditors' Report

Page 3 of 3
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2015

State Agency State Program Title State Financial Assistance Projects	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Health			
Emergency Medical Services Program			
County Grant Awards	64.005	C2032	4,184
County Grant Awards	64.005	C3032	12,865
			17,049
Emergency Medical Services Program			
EMS Matching Grant	64.003	M3011	100,000
Total Florida Department of Health			117,049
Florida Department of Agriculture & Consumer Services			
Consumer Protection Program			
Mosquito Control	42.003	20295	14,026
Mosquito Control	42.003	21320	7,747
Total Florida Department of Agriculture & Consumer Services			21,773
Florida Department of Management Services			
Technology Program			
Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	14-4-14	1,564
Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	15-4-13	10,329
Total Florida Department of Management Services			11,893
Florida Department of Economic Opportunity			
Bureau of Economic Development Program			
Rural Infrastructure Fund	40.013	D0041	73,715
Bureau of Economic Development Program			
Growth Management Implementation - Technical Assistance (Hwy 90)	40.024	P0096	20,000
Total Florida Department of Economic Opportunity			93,715
Total Expenditures of State Financial Assistance			5,204,568
Total Federal Awards and State Financial Assistance			\$ 9,450,662

See Independent Auditors' Report



Jackson County, Florida
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance
For the year ended September 30, 2015

NOTE 1 - BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of Jackson County, Florida (the "County"). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - REPORTING ENTITY

The County for purposes of the supplementary Schedule of Expenditures of State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

NOTE 3 - PASS-THROUGH AWARDS

The County receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal award programs and state financial assistance projects.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Jackson County, Florida (the County).
2. Significant deficiencies disclosed during the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." We believe the significant deficiency listed as item SH06-01 to be a material weakness.
3. We noted no instances of noncompliance material to the financial statements of the County which were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal programs and state projects are reported in the Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.
5. The Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General for Jackson County, Florida expresses an unmodified opinion.
6. No audit findings relative to the major federal awards and state financial assistance projects for Jackson County, Florida are reported in this schedule.
7. The programs/projects tested as major programs/projects included the following:

Federal Program	CFDA No.
US Department of Homeland Security	
Disaster Grants – Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036
US Department of Transportation, Federal Highway Administration	
Highway Planning and Construction	20.205
State Projects	CSFA No.
Florida Department of Transportation	
Small County Outreach Program (SCOP)	55.009
Florida Executive Office of the Governor	
Emergency Management Program	31.063

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2015

A. SUMMARY OF AUDIT RESULTS (CONTINUED)

8. The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for major federal program and major state financial assistance projects.
9. Jackson County, Florida qualified as a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SHERIFF

FINANCIAL REPORTING SOFTWARE, FINDING SH15-01

COMMENT: Some transactions recorded in the financial reporting software were not reflected in the trial balance schedules. This appears to be due to inconsistencies between various reports produced by the current software package being used by the Sheriff.

RECOMMENDATION: We recommend the Sheriff consider updating the software used for financial reporting purposes to a product which can provide better results. Consistent and understandable reports will provide better information for management and financial reporting purposes.

C. FINDINGS – MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

There were no current year audit findings.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2015

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT AUDIT

SHERIFF

SEGREGATION OF DUTIES, FINDING SH06-01 – NOT RESOLVED

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Sheriff receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

PROPERTY APPRAISER

SEGREGATION OF DUTIES, FINDING PA06-01 - NOT RESOLVED

COMMENT: The size of the Property Appraiser's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Property Appraiser's assets.

RECOMMENDATION: The size of the Property Appraiser's administrative staff makes it difficult to achieve ideal segregation of duties. The Property Appraiser should be aware of this internal control weakness and continue to separate record keeping duties from custody of assets as much as possible. We also recommend that management require mandatory vacations of at least one week in duration for financial personnel and recommend that their duties be assigned to other personnel while on vacation.

STATUS: This condition continues to exist.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2015

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

FINANCIAL STATEMENT AUDIT (CONTINUED)

TAX COLLECTOR

NEED FOR SEGREGATION OF DUTIES, FINDING TC06-01- NOT RESOLVED

COMMENT: The size of the Tax Collector's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Tax Collector's assets.

RECOMMENDATION: The size of the Tax Collector's administrative staff makes it difficult to achieve ideal segregation of duties. The Tax Collector should be aware of this internal control weakness and continue to separate record keeping duties from custody of assets as much as possible. We also recommend that management require mandatory vacations of at least one week in duration for financial personnel and recommend that their duties be assigned to other personnel while on vacation.

STATUS: This condition continues to exist.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

We have audited the financial statements of Jackson County, Florida (the "County") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 23, 2016.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance Required by OMB A-133 and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 23, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Prior Year Findings and Recommendations."

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

BOARD OF COUNTY COMMISSIONERS

COMMENT ML 06-01: We noted that the individual responsible for the receipt of payments in the Fire and Rescue Department also is responsible for the posting of payments and charges to the accounts receivable ledger. In addition, this individual also is responsible for the mailing of the statements.

RECOMMENDATION: We recommend that a better separation of duties be established.

STATUS: This item has not been corrected.

COMMENT ML 06-02: We noted that the Board has not adopted written policies and procedures governing the accounting or administration of its grant programs.

RECOMMENDATION: We recommend the adoption of written policies and procedures which would standardize grant administration among the various departments and ensure that all compliance requirements are addressed on a timely basis.

STATUS: This item has not been corrected.

COMMENT ML 06-03: It was noted that the Board does not have a policy covering travel reimbursement when an employee with a county vehicle elects to use their personal car for trips to allow their spouse to accompany them.

RECOMMENDATION: We recommend the Board develop a written policy that addresses the reimbursement of personal car use for Board travel when a Board automobile is available.

STATUS: This item has not been corrected.

COMMENT ML 06-04: It was noted that the Board does not have a written cell phone or internet usage policy.

RECOMMENDATION: We recommend the Board develop written cell phone and internet usage policies that address the personal use of Board assets.

STATUS: This item has not been corrected.

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for Jackson County, Florida for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we have the following recommendation:

Board

COMMENT ML 15-01: It was noted that expenditures in the Gas Tax Series 2014 fund exceeded the budget.

RECOMMENDATION: We recommend the County include the refunding of existing debt in the budgeted expenditures.

To the Honorable Board of County Commissioners
and Constitutional Officers of Jackson County, Florida
Marianna, Florida

Sheriff

COMMENT ML SH15-02: The Sheriff does not have a well-defined, written compensated absences policy.

RECOMMENDATION: We recommend that management's comprehensive compensated absences policy by clearly defined and documented in writing.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but, which warrants the attention of those charges with governance. In connection with our audit, we did not have any such recommendations.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 23, 2016



Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

Mailing Address:
P.O. Box 1606
Marianna, FL 32447

(850) 526-3207
(850) 526-5322 (fax)
www.cricpa.com

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT
INVESTMENT POLICIES***

To the Honorable Board of County Commissioners
of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Jackson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Jackson County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Jackson County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Jackson County, Florida's compliance with specified requirements.

In our opinion, the Jackson County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 23, 2016



Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

To the Honorable Board of County Commissioners
of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 23, 2016

Jackson County, Florida
Management's Response



BOARD of COUNTY COMMISSIONERS

Phone (850) 482-9633
Fax (850) 482-9643
www.jacksoncountyfl.net

Administration Building
2864 Madison Street
Marianna, Florida 32448-4021

State of Florida
Auditor General

We are in receipt of the audit report for the Board of County Commissioners, Jackson County, Florida, for the fiscal year ending September 30, 2015. We have reviewed the internal control and compliance letters, the schedule of findings and questioned costs and the management letter included in the report.

MANAGEMENT LETTER COMMENTS

CURRENT YEAR FINDING

COMMENT: It was noted that expenditures in the Gas Tax Series 2014 fund exceeded the budget.

RESPONSE: Although technically correct, the reason for the County over expending in this fund was due to refinancing of the loan to obtain a better interest rate. A portion of the proceeds from the loan were used to retire the old debt. This was done at the financial institution with these funds not coming to the County. In the future when existing debt is refinanced to obtain favorable terms we will ensure the budget is amended.

PRIOR YEAR FINDINGS

COMMENT: We noted that the individual responsible for the receipt of payments in the Fire and Rescue Department is also responsible for the posting of payments and charges to the accounts receivable ledger. In addition, this individual is also responsible for the mailing of the statements.

RESPONSE: Currently, it is not feasible to properly separate the duties and functions of the Fire & Rescue Department. We will continue to monitor this situation to ensure all available controls are implemented.

COMMENT: We noted that the Board has not adopted written policies and procedures governing the accounting or administration of its grant programs.

Dr. Willie E. Spires
District 1

Clint Pate
District 2

Commissioners

Chuck Lockey
District 3

Eric Hill
District 4

Kenneth Stephens
District 5

Ted Lakey, County Administrator

Jackson County, Florida Management's Response

RESPONSE: The County is in the process of developing policies and procedures for grant programs.

COMMENT: It was noted that the County doesn't have a policy covering travel reimbursement when an employee with a county vehicle elects to use their personal car for trips to allow their spouse to accompany them.

RESPONSE: The County is in the process of reviewing and revising the personnel policy to address the reimbursement of personal car use for travel in lieu of a County vehicle.

COMMENT: It was noted that the County doesn't have a written cell phone or internet usage policy.

RESPONSE: The County is in the process of reviewing and revising the personnel policy to address the personal use of County assets.

If additional information is required, please contact Daniele McDaniel, Finance Officer at (850) 482-9634.

Sincerely,



Kenneth Stephens
Chairman

Jackson County, Florida
Management's Response



Certified Florida Appraiser

Sharon Cox, C.F.A.
Jackson County Property Appraiser

Post Office Box 1526
Marianna, Florida 32447

"WE ARE HERE TO SERVE YOU"

PHONE: 850-482-9646
FAX: 850-482-9036

Carr, Riggs & Ingram
4267 Lafayette Street
Marianna, FL 32446

To Whom It May Concern:

We are in receipt of the Jackson County Property Appraiser's audit for the fiscal year ending September 30, 2015. In response to the internal control and compliance report the following applies:

Segregation of duties - The Property Appraiser acknowledges the segregation of duties issue will always be of concern; however, I will continue to be involved in the day to day operations and separate duties as much as possible.

Thank you so much for your assistance during the audit.

Sincerely,

Sharon Cox, CFA
Property Appraiser
Jackson County

SC

Appraiser's Responsibility - By state law, it is the responsibility of the Appraiser to locate, identify, and appraise, based upon current market value, all property subject to ad valorem taxes, maintain tax roll equity and process allowable exemptions. The appraiser has no jurisdiction or responsibility for area budgets, tax rates, special assessments or amounts of taxes paid. These matters are handled by the various taxing authorities performing services, such as the County Commission, City Councils, School Board and other taxing districts.

Jackson County, Florida
Management's Response



LOUIS S. ROBERTS III
Sheriff
Jackson County



AREA 850
Office: 482-9624 • Dispatch: 482-9648
Administration: 482-9664 • C.I.D.: 482-9664
FAX: 482-9017
P.O. Box 919 • Marianna, Florida 32447

Honorable Sherrill F. Norman
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Auditor General Norman,

We have received the audit report for the Office of Sheriff, Jackson County Florida for the fiscal year ending September 30, 2015. We have reviewed the Management Letter included in the report. Concerning the items noted in the Management letter, the following response is:

1. Need for Segregation of Duties.

In past years only one person held all responsibilities of the accounting and payroll for the Sheriff's Office. In 1997 we were awarded another person to segregate the duties more than in the past by the Board of Commissioners. The Sheriff has also assigned the task of approving all bills to the Major before they are paid. Both Sheriff Roberts and Major Branch receive a copy of our Budget Position Analysis at the end of each month, Sheriff Roberts's opens our bank statements then signs them, and Major Branch reviews all bank statements. Due to budgetary decreases no new administrative staff positions are expected to be granted by the Board of Commissioners.

2. Financial Reporting Software

Sheriff Roberts has purchased new accounting and payroll software for the Sheriff's Office. The accounts for the software have to be created then all personnel trained in the proper use of the new programs. We are anticipating a start date of October 1, 2016 to have the software up and running.

3. Compensated Absences Policy

We have a policy for all leave in development and should be completed soon.

Sincerely,


Louis S. Roberts III, Sheriff
Jackson County Florida


Linda J. Cowan, Finance Officer
Jackson County Sheriff's Office

cc: Carr, Riggs, and Ingram, LLC

Jackson County, Florida
Management's Response



Sherry A. Brown, CFC

**Tax Collector, Jackson County
Certified Florida Collector**

Courthouse
P.O. Box 697
Marianna, FL 32447
850-482-9653
Fax 850-526-3821

Graceville Agency
P.O. Box 655
Graceville, FL 32440
850-263-3218
Fax 850-263-2637

Sneads Agency
P.O. Box 520
Sneads, FL 32460
850-593-6737
Fax 850-593-5388

Driver License Agency
3613 Hwy 90
Marianna, FL 32446
Phone 850-482-9602
Fax 850-482-9603

Carr, Riggs and Ingram LLC
P.O. Box 1606
Marianna, FL 32447

Attention: Audit Department

I am in receipt of the audit report for the Jackson County Tax Collector's Office for the fiscal year ending September 30, 2015. Concerning the current year findings and recommendations, the following applies:

- Need for Segregation of Duties – The need for segregation of duties will always be a concern for my office due to the size of my staff. I am aware of internal control weaknesses this presents to my office, however we have implemented other internal controls to help compensate for this weakness. Although we do not require mandatory vacations of at least one week in duration for financial personnel, most employees do take a week's vacation as long as their personal leave balance permits. My staff is cross trained in various positions in order to cover the duties associated with those on leave. I will continue, as always, to be involved in the day-to-day tasks of running my office to help strengthen internal controls.

We will continue to strive to provide current, accurate and reliable financial information and serve the citizens of Jackson County, Florida in the most cost effective and efficient manner.

Sincerely,

A handwritten signature in cursive script that reads "Sherry A. Brown".

Sherry A. Brown, CFC
Jackson County Tax Collector



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

**Jackson County, Florida
Clerk of the Circuit Court**

Special-Purpose Financial Statements

September 30, 2015



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INGRAM

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**Jackson County, Florida
Clerk of the Circuit Court
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September 30, 2015**

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REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the financial statements, the Clerk's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Clerk. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Clerk.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fiduciary fund type of the Clerk as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund, and the budgetary comparison for the Public Records Modernization Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

May 26, 2016



FINANCIAL STATEMENTS

**Jackson County, Florida
Clerk of the Circuit Court
Special-Purpose Balance Sheet
Governmental Funds**

September 30, 2015

	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 257,629	\$ -	\$ 257,629
Restricted cash and cash equivalents	-	179,088	179,088
Accounts receivable	19,690	66	19,756
Total assets	\$ 277,319	\$ 179,154	\$ 456,473
Liabilities			
Accounts payable and accrued expenses	\$ 8,689	\$ -	\$ 8,689
Due to Board of County Commissioners	73,919	-	73,919
Due to other governmental units	194,711	-	194,711
Total liabilities	277,319	-	277,319
Fund balances			
Restricted	-	179,154	179,154
Total liabilities and fund balances	\$ 277,319	\$ 179,154	\$ 456,473

See accompanying notes to financial statements.

Jackson County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds

For the year ended September 30, 2015

	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Revenues			
Intergovernmental	\$ 181,605	\$ -	\$ 181,605
Charges for services	774,755	52,629	827,384
Fines and forfeitures	143,187	73,570	216,757
Grants	121,889	-	121,889
Interest	396	-	396
Total revenues	1,221,832	126,199	1,348,031
Expenditures			
Current:			
General government	720,251	12,454	732,705
Court-related	815,361	165,044	980,405
Capital outlay	14,873	49,223	64,096
Total expenditures	1,550,485	226,721	1,777,206
Excess (deficiency) of revenues over (under) expenditures	(328,653)	(100,522)	(429,175)
Other financing sources (uses)			
Transfers in	518,445	-	518,445
Transfers out	(73,919)	-	(73,919)
Transfers to State of Florida	(115,873)	-	(115,873)
Net other financing sources (uses)	328,653	-	328,653
Net change in fund balances	-	(100,522)	(100,522)
Fund balances - beginning	-	279,676	279,676
Fund balances - ending	\$ -	\$ 179,154	\$ 179,154

See accompanying notes to financial statements.

Jackson County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 205,523	\$ 205,523	\$ 181,605	\$ (23,918)
Charges for services	805,150	805,150	774,755	(30,395)
Fines and forfeitures	164,500	164,500	143,187	(21,313)
Grants	80,000	80,000	121,889	41,889
Interest	100	100	396	296
Total revenues	1,255,273	1,255,273	1,221,832	(33,441)
Expenditures				
Current				
General government	754,196	754,196	720,251	33,945
Court-related	1,004,962	1,004,962	815,361	189,601
Capital outlay	-	-	14,873	(14,873)
Reserve for contingency	35,165	35,165	-	35,165
Total expenditures	1,794,323	1,794,323	1,550,485	243,838
Excess (deficiency) of revenues over (under) expenditures	(539,050)	(539,050)	(328,653)	210,397
Other financing sources (uses)				
Transfers in	539,050	539,050	518,445	(20,605)
Transfers out	-	-	(73,919)	(73,919)
Transfers to State of Florida	-	-	(115,873)	(115,873)
Net other financing sources (uses)	539,050	539,050	328,653	(210,397)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

Jackson County, Florida
Clerk of the Circuit Court

**Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Public Records Modernization Trust Fund**

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 56,000	\$ 56,000	\$ 52,629	\$ (3,371)
Fines and forfeitures	76,000	76,000	73,570	(2,430)
Total revenues	132,000	132,000	126,199	(5,801)
Expenditures				
Current				
General government	50,000	50,000	12,454	37,546
Court-related	261,676	261,676	165,044	96,632
Capital outlay	100,000	100,000	49,223	50,777
Total expenditures	411,676	411,676	226,721	184,955
Net change in fund balance	\$ (279,676)	\$ (279,676)	\$ (100,522)	\$ 179,154

See accompanying notes to financial statements.

Jackson County, Florida
Clerk of the Circuit Court
Special-Purpose Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	Agency Funds
Assets	
Cash and cash equivalents	\$ 379,400
Due from other governmental units	53
Total assets	\$ 379,453
Liabilities	
Due to others	\$ 379,453
Total liabilities	\$ 379,453

See accompanying notes to financial statements.

Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these special-purpose financial statements.

Reporting Entity

The Jackson County Clerk of Circuit Court (Clerk) is an integral part of Jackson County, Florida and is an elected Constitutional Officer who is governed by state statutes and regulations. The financial statements of the Clerk are included in Jackson County, Florida's basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Effective June 1, 2013, the Clerk was authorized to retain funds collected for court-related fines, fees and service charges. The Clerk will also receive a monthly appropriation from the State of Florida Clerk of Court Trust Fund for any shortage of revenues up to the approved budget. The receipts from the State are recorded as intergovernmental revenue on the Clerk's financial statements. As specified in Florida Senate Bill 1512, spending authority will continue to be provided by the State and will follow the county fiscal year (October 1 to September 30). The Clerk's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jackson County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Clerk's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as part of the primary government of Jackson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

**Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Clerk, were prepared in conformity with accounting principles generally accepted (GAAP) in the United States.

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Public Records Modernization Trust Fund - The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

In addition, the Clerk has reported the following fund type:

Agency Funds - Agency funds are custodial in nature and account for assets held in a trust capacity or as agent for individuals, other governmental units and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the special-purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Clerk's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment	3-30 years
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**Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

Permanent full-time employees of the Clerk are entitled to accrue sick leave hours based on pay periods worked, with a limit on total hours accrued being 900 hours. Vacation time is earned depending on the length of employment, with a limit of 225 hours. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Fund Balance Reporting and Governmental Fund-Type Definitions

The Clerk adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 6.

Due to Others

This account is used to account for assets held by the Clerk in a trustee capacity for other governmental agencies or individuals.

Risk Management

The Clerk is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements**

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2015, the carrying amount of the Clerk's deposits was \$816,117 and the bank balance was \$1,042,107. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The Clerk's investment practices are governed by Chapter 218.415 of the Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the US Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and the Local Government Surplus Trust Fund. The Clerk did not have any investments at September 30, 2015.

Credit Risk

At September 30, 2015, the Clerk did not hold any investments.

Interest Rate Risk

At September 30, 2015, the Clerk did not hold any investments.

Custodial Credit Risk

As of September 30, 2015, the Clerk did not hold any deposits that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2015, the Clerk did not hold any investments.

**Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements**

NOTE 3 - LONG-TERM LIABILITIES

The Clerk's long-term liabilities are reported in the statement of net position in the County's financial statements.

Long-term liability activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental					
activities:					
Compensated absences	\$ 51,230	\$ -	\$ 706	\$ 50,524	\$ -
Total	\$ 51,230	\$ -	\$ 706	\$ 50,524	\$ -

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Clerk's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 4 - EMPLOYEE PENSION PLAN

The Clerk participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. FRS also provides death and disability benefits and cost-of-living adjustments.

Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding method and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

	10/01/14 Through 06/30/15	07/01/15 Through 09/30/15
Regular employees	7.37%	7.26%
Senior management	21.14%	21.43%
Elected county officials' class	43.24%	42.27%
DROP	12.28%	12.88%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2014 through September 30, 2015, the total payroll for all employees was \$1,218,543. The retirement contributions for all employees covered by the System for the years ended September 30, 2015, 2014 and 2013 were \$119,315, \$116,400 and \$72,237 which were the required contributions. For the year ended September 30, 2015, retirement contributions represented 9.79% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements**

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Clerk's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the Jackson County, Florida's Fiscal Year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. There was no impact on the Jackson County, Florida Clerk's financial statements as a result of the implementation of Statement No. 68.

NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 6 – COURT RELATED FEES

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governmental Units. As of September 30, 2015, excess court-related funds were \$194,711.

Jackson County, Florida
Clerk of the Circuit Court
Notes to Special-Purpose Financial Statements

NOTE 7 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable net assets at September 30, 2015.

Spendable fund balances are classified based on a hierarchy of the Clerk’s ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2015, the Clerk reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Reservations of equity show amounts that are appropriated for expenditure or are legally restricted for specific uses. The purpose for each is indicated as follows:

Funds	Purpose	
Public Records Modernization Trust Fund	Funding for:	
	Modernization of Public Records	\$ 11,943
	Court-related technology	167,211
	Court-related operational needs and program enhancements	-
	Total restricted fund equity	\$ 179,154

NOTE 8 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk’s child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$121,889.

NOTE 9 - EXCESS REVENUES

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were recorded as a transfer out to the Board of County Commissioners in the amount of \$73,919 as of September 30, 2015.

NOTE 10 - LITIGATION AND CONTINGENT LIABILITIES

The Clerk is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Clerk’s financial position.



SUPPLEMENTARY INFORMATION

Jackson County, Florida
 Clerk of the Circuit Court
Combining Special-Purpose Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Total
Assets						
Cash and cash equivalents	\$ 230,151	\$ 20,250	\$ 377	\$ 51,946	\$ 76,676	\$ 379,400
Due from other governmental units	-	-	53	-	-	53
Total assets	\$ 230,151	\$ 20,250	\$ 430	\$ 51,946	\$ 76,676	\$ 379,453
Liabilities						
Due to others	\$ 230,151	\$ 20,250	\$ 430	\$ 51,946	\$ 76,676	\$ 379,453
Total liabilities	\$ 230,151	\$ 20,250	\$ 430	\$ 51,946	\$ 76,676	\$ 379,453

See Independent Auditors' Report

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated May 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

May 26, 2016



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

May 26, 2016



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
28.35, FLORIDA STATUTES, *FLORIDA CLERKS OF COURT OPERATIONS
CORPORATION*, AND SECTION 28.36, FLORIDA STATUTES, *BUDGET PROCEDURE***

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

We have examined the office of the Jackson County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2015. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

May 26, 2016



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
61.181, FLORIDA STATUTES, *DEPOSITORY FOR ALIMONY TRANSACTIONS, SUPPORT,
MAINTENANCE AND SUPPORT PAYMENTS; FEES***

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

We have examined the office of the Jackson County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2015. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

May 26, 2016



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 26, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 26, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. No significant findings and recommendations were made in the preceding annual financial audit report.

To the Honorable Dale Rabon Guthrie
Clerk of the Circuit Court of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Clerk of the Circuit Court.

Other Matters

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Clerk and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carly Riggs & Ingram, L.L.C.

May 26, 2016

**Jackson County, Florida
Property Appraiser**

Special-Purpose Financial Statements

September 30, 2015



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Jackson County, Florida
Property Appraiser
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September 30, 2015

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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the financial statements, the Property Appraiser's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Property Appraiser. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Property Appraiser.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Property Appraiser as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2016 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

June 3, 2016



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

Jackson County, Florida
Property Appraiser
Special-Purpose Balance Sheet
Governmental Funds

September 30, 2015

	General Fund
Assets	
Cash	\$ 15,715
Total assets	\$ 15,715
Liabilities	
Accounts payable and accrued expenses	\$ 15,712
Due to Board of County Commissioners	3
Total liabilities	15,715
Fund balance	-
Total liabilities and fund balance	\$ 15,715

See accompanying notes to financial statements

Jackson County, Florida
Property Appraiser
Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

For the year ended September 30, 2015

	General Fund
Revenues	
Charges for services	\$ 7,044
Total revenues	7,044
Expenditures	
Current:	
General government	921,957
Total expenditures	921,957
Excess (deficiency) of revenues over (under) expenditures	(914,913)
Other financing sources (uses)	
Transfers in	914,916
Transfers out	(3)
Net other financing sources (uses)	914,913
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

See accompanying notes to financial statements

Jackson County, Florida
Property Appraiser

**Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund**

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance Final Budget Favorable
Expenditures				
Current:				
General government	\$ 911,845	\$ 909,669	\$ 914,913	\$ (5,244)
Capital outlay	3,071	5,244	-	5,244
Total expenditures	914,916	914,913	914,913	-
Excess (deficiency) of revenues over (under) expenditures	(914,916)	(914,913)	(914,913)	-
Other financing sources (uses)				
Transfer in	914,916	914,916	914,916	-
Transfer out	-	-	(3)	(3)
Net other financing sources (uses)	914,916	914,916	914,913	(3)
Net change in fund balance	\$ -	\$ 3	\$ -	\$ (3)

See accompanying notes to financial statements

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board.

Reporting Entity

The Jackson County Property Appraiser's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Property Appraiser's Office.

The Jackson County, Florida, Property Appraiser (the "Property Appraiser") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jackson County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as part of the primary government of Jackson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Property Appraiser.

The operations of the Property Appraiser are funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board after the end of the fiscal year.

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Property Appraiser, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these financial statements, the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except those required to be accounted for in another fund.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources as needed.

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Requirements

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes Chapter 195.087. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments, approved by the Florida Department of Revenue and Board of County Commissioners. On or before June 1 of each year, the Property Appraiser shall submit to the Department of Revenue a budget for the operation of her office for the ensuing fiscal year. The Department of Revenue and Board of County Commissioners must approve the final budget.

The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Property Appraiser only budgeted revenue and expenditures appropriated by the Board of County Commissioners. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Total Expenditures	Total Revenue
GAAP basis	\$ 921,957	\$ 921,957
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(7,044)	(7,044)
Budgetary basis	\$ 914,913	\$ 914,913

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser's assets are reported in the statement of net assets in the County's financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment	3-30 years
-------------------------------------	------------

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

Permanent full-time employees of the Property Appraiser are entitled to accrue sick leave and vacation time related to the length of employment with the Property Appraiser's office. The vacation time must be taken during the calendar year earned. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with personnel policy.

The Property Appraiser's accumulated compensated absences are reported in the statement of net position in the County's financial statements. No expenditure is reported in the government fund level statement for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

Risk Management and Insurance

The Property Appraiser is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Management Estimates and Assumptions

The preparation of financial statements in conformity with general accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2015, the carrying amount of the Property Appraiser's cash and cash equivalents was \$15,715 and the bank balance was \$21,987. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Florida Statutes authorize the Property Appraiser to invest in certificates of deposit, repurchase agreements and the State Treasurer’s Investment Pool. In addition, the statutes allow the Supervisor of Elections to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2015, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2015, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2015, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2015, the Property Appraiser did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - LONG-TERM LIABILITIES

The Property Appraiser’s long-term liabilities are reported in the statement of net position in the County’s financial statements.

Liability activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 19,027	\$ 662	\$ -	\$ 19,689	\$ -
Total	\$ 19,027	\$ 662	\$ -	\$ 19,689	\$ -

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 3 - LONG-TERM LIABILITIES (CONTINUED)

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Property Appraiser’s policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 4 - EMPLOYEE PENSION PLAN

The Property Appraiser participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/14 Through 06/30/15	07/01/15 Through 09/30/15
Regular employees	7.37%	7.26%
Senior management	21.14%	21.43%
DROP	12.28%	12.88%
Elected county officials’ class	43.24%	42.27%

Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 4- EMPLOYEE PENSION PLAN (CONTINUED)

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Property Appraiser employees covered by the Florida Retirement System was \$588,057 at September 30, 2015. The Property Appraiser's contribution to the plan for the years ended September 30, 2015, 2014, and 2013 was \$52,895, \$49,387, and \$28,985, which were the required contributions. For the year ended September 30, 2015 retirement contributions represent 8.99% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Property Appraiser's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the Jackson County, Florida's Fiscal Year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. There was no impact on the Jackson County, Florida Property Appraiser's financial statements as a result of the implementation of Statement No. 68.



Jackson County, Florida
Property Appraiser
Notes to Special-Purpose Financial Statements

NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 6 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145.



SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated June 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below as finding PA06-01 that we consider to be significant deficiencies.

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDING AND RECOMMENDATION

Need for Segregation of Duties PA06-01

COMMENT: The size of the Property Appraiser's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Property Appraiser's assets.

RECOMMENDATION: The size of the Property Appraiser's administrative staff makes it difficult to achieve ideal segregation of duties. The Property Appraiser should be aware of this internal control weakness and continue to separate record keeping duties from custody of assets as much as possible. We also recommend that management require mandatory vacations of at least one week in duration for financial personnel and recommend that their duties be assigned to other personnel while on vacation.

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Property Appraiser's Response to Findings

The Property Appraiser's response to the findings identified in our audit is described in the accompanying letter. We did not audit the Property Appraiser's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

June 3, 2016

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Property Appraiser (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 3, 2016

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 3, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 3, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Finding 06-01 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* has not been corrected.

To the Honorable Sharon Cox
Property Appraiser of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Property Appraiser.

Other Matters

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Property Appraiser and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 3, 2016

Jackson County, Florida
Property Appraiser
Management's Response



Certified Florida Appraiser

Sharon Cox, CFA
Jackson County Property Appraiser

Post Office Box 1526
Marianna, Florida 32447

"WE ARE HERE TO SERVE YOU"

PHONE: 850-482-9646
FAX: 850-482-9036

Carr, Riggs & Ingram
4267 Lafayette Street
Marianna, FL 32446

To Whom It May Concern:

We are in receipt of the Jackson County Property Appraiser's audit for the fiscal year ending September 30, 2015. In response to the internal control and compliance report the following applies:

Segregation of duties - The Property Appraiser acknowledges the segregation of duties issue will always be of concern; however, I will continue to be involved in the day to day operations and separate duties as much as possible.

Thank you so much for your assistance during the audit.

Sincerely,

Sharon Cox, CFA
Property Appraiser
Jackson County

SC

Appraiser's Responsibility - By state law, it is the responsibility of the Appraiser to locate, identify, and appraise, based upon current market value, all property subject to ad valorem taxes, maintain tax roll equity and process allowable exemptions. The appraiser has no jurisdiction or responsibility for area budgets, tax rates, special assessments or amounts of taxes paid. These matters are handled by the various taxing authorities performing services, such as the County Commission, City Councils, School Board and other taxing districts.

**Jackson County, Florida
Sheriff**

Special-Purpose Financial Statements

September 30, 2015



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INGRAM

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**Jackson County, Florida
Sheriff
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September 30, 2015**

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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Jackson County, Florida

As discussed in Note 1 to the financial statements, the Sheriff's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Sheriff. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fiduciary fund type of the Sheriff as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2016 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

June 7, 2016



**SPECIAL-PURPOSE
FINANCIAL STATEMENTS**

**Jackson County, Florida
Sheriff
Special-Purpose Balance Sheet
Governmental Funds**

September 30, 2015

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 302,365	\$ -	\$ -	\$ 302,365
Restricted cash and cash equivalents		51,706	6,763	58,469
Due from other funds	-	72	-	72
Due from other governmental units	-	-	23,391	23,391
Total assets	\$ 302,365	\$ 51,778	\$ 30,154	\$ 384,297
Liabilities				
Accounts payable and accrued expenses	\$ 270,982	\$ -	\$ 219	\$ 271,201
Due to Board of County Commissioners	31,383	-	-	31,383
Due to other funds	-	-	72	72
Deferred revenue	-	-	2,434	2,434
Total liabilities	302,365	-	2,725	305,090
Fund balances				
Restricted	-	51,778	27,429	79,207
Total liabilities and fund balances	\$ 302,365	\$ 51,778	\$ 30,154	\$ 384,297

See accompanying notes to financial statements

Jackson County, Florida
Sheriff

Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds

For the year ended September 30, 2015

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Revenues				
Fines and forfeitures	\$ -	\$ 24,194	\$ -	\$ 24,194
Grants	-	-	44,374	44,374
Investment earnings	-	86	-	86
Other fees and miscellaneous revenues	56,828	-	-	56,828
Total revenues	56,828	24,280	44,374	125,482
Expenditures				
Current:				
Public safety	4,422,471	17,459	33,727	4,473,657
Capital outlay	145,486	121,105	10,647	277,238
Total expenditures	4,567,957	138,564	44,374	4,750,895
Excess (deficiency) of revenues over (under) expenditures	(4,511,129)	(114,284)	-	(4,625,413)
Other financing sources (uses)				
Transfers in	4,542,512	-	-	4,542,512
Transfers out	(31,383)	-	-	(31,383)
Net other financing sources (uses)	4,511,129	-	-	4,511,129
Net change in fund balances	-	(114,284)	-	(114,284)
Fund balances - beginning	-	166,062	27,429	193,491
Fund balances - ending	\$ -	\$ 51,778	\$ 27,429	\$ 79,207

See accompanying notes to financial statements

Jackson County, Florida
Sheriff

Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Expenditures				
Current:				
Public safety	4,532,724	4,532,724	4,401,358	131,366
Capital outlay	-	-	109,771	(109,771)
Reserve for contingency	16,140	16,140	-	16,140
Total expenditures	4,548,864	4,548,864	4,511,129	37,735
Excess (deficiency) of revenues over (under) expenditures	(4,548,864)	(4,548,864)	(4,511,129)	37,735
Other financing sources (uses)				
Transfers in	4,548,864	4,548,864	4,542,512	(6,352)
Transfers out	-	-	(31,383)	(31,383)
Total other financing sources	4,548,864	4,548,864	4,511,129	(37,735)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

**Jackson County, Florida
Sheriff
Special-Purpose Statement of Fiduciary Net Position
Agency Funds**

September 30, 2015

	Agency
Assets	
Cash	\$ 35,280
<hr/>	
Total assets	\$ 35,280
<hr/> <hr/>	
Liabilities	
Due to others	\$ 35,280
<hr/>	
Total liabilities	\$ 35,280
<hr/> <hr/>	

See accompanying notes to financial statements

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board.

Reporting Entity

The Jackson County Sheriff's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collectors, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County, Florida Sheriff's Office.

The Jackson County, Florida, Sheriff (the "Sheriff") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jackson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Sheriff's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as part of the primary government of Jackson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Sheriff, were prepared in conformity with generally accepted accounting principles in the United States of America.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Contraband Forfeitures Fund - Accounts for revenues and expenses relating to various forfeitures and seizures received through efforts of the drug task force.

In addition, the Sheriff reported the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title "Other Governmental Funds."

Anti-Drug Abuse Grant - Accounts for revenues and expenditures of the drug task force grant.

Local Law Enforcement Fund - Accounts for revenues and expenditures relating to various equipment grants.

The Sheriff also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

Major revenue sources susceptible to accrual include: intergovernmental revenues and investment income. In general, charges for services and other revenue are recognized as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Sheriff only budgeted revenue and expenditures appropriated by the Board of County Commissioners. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

	Total Expenditures	Total Revenue
GAAP basis	\$ 4,567,957	\$ 4,567,957
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(56,828)	(56,828)
Budgetary basis	\$ 4,511,129	\$ 4,511,129

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost in the capital asset accounts of the County. The Sheriff maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment	3-30 years
-------------------------------------	------------

Accumulated Compensated Absences

Permanent full-time employees of the Sheriff are entitled to earn vacation and sick time depending on the length of employment. Upon separation of employment, employees can be paid up to 280 hours vacation time and portion of unused sick time, with the payment of unused sick time being subject to various criteria.

The Sheriff's accumulated compensated absences are reported in the statement of net assets in the County's financial statements.

Due to Others

This account is used to account for assets held by the Sheriff in a trustee capacity for other governmental agencies or individuals.

Risk Management and Insurance

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes general liability, automobiles and money and securities coverage. The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for the aircraft.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

Management Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reporting and Governmental Fund-Type Definitions

The Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 10.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2015, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$396,114 and the bank balance was \$427,562. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis. Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2015, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2015, the Sheriff did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2015, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2015, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

Notes to Special-Purpose Financial Statements

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of amounts due from the State of Florida earned but not received as of September 30, 2015.

NOTE 4 - LONG-TERM LIABILITIES

The Sheriff's long-term liabilities activity is reported in the statement of net position in the County's financial statements.

Long-term liabilities activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 470,544	\$ 165,667	\$ -	\$ 636,211	\$ -
Total	\$ 470,544	\$ 165,667	\$ -	\$ 636,211	\$ -

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Sheriff's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 5 - EMPLOYEE PENSION PLAN

The Sheriff participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

Notes to Special-Purpose Financial Statements

NOTE 5 - EMPLOYEE PENSION PLAN – (CONTINUED)

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

	10/01/14 Through 06/30/15	07/01/15 Through 9/30/15
Regular employees	7.37%	7.26%
Senior management	21.14%	21.43%
Elected county officials	43.24%	42.27%
Special risk employees	19.82%	22.04%
DROP participants	12.28%	12.88%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2014 through September 30, 2015, the total payroll for all employees was \$2,975,541. The retirement contributions for all employees covered by the System for the years ended September 30, 2015, 2014 and 2013 were \$485,658, \$433,177 and \$ 362,805 which were the required contributions. For the year ended September 30, 2015 retirement contributions represented 16.32% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

Notes to Special-Purpose Financial Statements

NOTE 5 - EMPLOYEE PENSION PLAN (CONTINUED)

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the Jackson County, Florida's Fiscal Year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. There was no impact on the Jackson County, Florida Sheriff's financial statements as a result of the implementation of Statement No. 68.

NOTE 6 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 5, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 7 - GRANTS

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2015, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

Notes to Special-Purpose Financial Statements

NOTE 8 - LITIGATION AND CONTINGENT LIABILITIES

The Sheriff is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Sheriff's financial position.

NOTE 9 - BUDGET

Budgets were not prepared for the various special revenue funds.

NOTE 10 - EXCESS REVENUES

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. For the year ended September 30, 2015, excess revenues over expenditures of \$31,383 are accrued and reported as transfers out to the Board of County Commissioners.

NOTE 11 - FUND EQUITY

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2015.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2015, the Sheriff reports fund balances as restricted. Restricted fund balance has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balance has constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balance has not been restricted, committed or assigned to specific purposes within the general fund.

**Jackson County, Florida
Sheriff**

Notes to Special-Purpose Financial Statements

NOTE 10 - FUND EQUITY – (CONTINUED)

Restricted fund balances at September 30, 2015 are as follows:

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total
Restricted for:				
Public Safety grants	\$ -	\$ -	\$ 27,429	\$ 27,429
Crime prevention	-	51,778	-	51,778
Total fund balances - Restricted	\$ -	\$ 51,778	\$ 27,429	\$ 79,207



SUPPLEMENTARY INFORMATION

**Jackson County, Florida
Sheriff
Combining Special-Purpose Balance Sheet
Nonmajor Governmental Funds**

September 30, 2015

	Anti-Drug Abuse Grant	Local Law Enforcement	Total Nonmajor Governmental Funds
Assets			
Restricted cash and cash equivalents	\$ 6,668	\$ 95	\$ 6,763
Due from other governmental units	23,391	-	23,391
Total assets	\$ 30,059	\$ 95	\$ 30,154
Liabilities			
Accounts payable and accrued expenses	\$ 219	\$ -	\$ 219
Due to other funds	72	-	72
Deferred revenue	2,341	93	2,434
Total liabilities	2,632	93	2,725
Fund balances			
Restricted	27,427	2	27,429
Total liabilities and fund balances	\$ 30,059	\$ 95	\$ 30,154

See Independent Auditors' Report

Jackson County, Florida
Sheriff

**Combining Special-Purpose Statement of Revenues,
Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds**

For the year ended September 30, 2015

	Anti-Drug Abuse Grant	Local Law Enforcement	Total Nonmajor Governmental Funds
Revenues			
Grants	\$ 32,606	\$ 11,768	\$ 44,374
Total revenues	32,606	11,768	44,374
Expenditures			
Current:			
Public safety	32,606	1,121	33,727
Capital outlay	-	10,647	10,647
Total expenditures	32,606	11,768	44,374
Net change in fund balances	-	-	-
Fund balances - beginning	27,427	2	27,429
Fund balances - ending	\$ 27,427	\$ 2	\$ 27,429

See Independent Auditors' Report

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency SH06-01 described below to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency SH15-01 described below to be a significant deficiency.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Current Year Comment

Financial Reporting Software – SH15-01

COMMENT: Some transactions recorded in the financial reporting software were not reflected in the trial balance schedules. This appears to be due to inconsistencies between various reports produced by the current software package being used by the Sheriff.

RECOMMENDATION: We recommend the Sheriff consider updating the software used for financial reporting purposes to a product which can provide better results. Consistent and understandable reports will provide better information for management and financial reporting purposes.

Prior Year Comment

Need for Segregation of Duties – SH06-01

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Sheriff receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

June 7, 2016

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Sheriff (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 7, 2016

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 7, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 7, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading Prior Year Comments.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida Sheriff.

To the Honorable Louis S. Roberts, III
Sheriff of Jackson County, Florida
Marianna, Florida

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have the following recommendation:

Current Year Comment

Compensated Absences Policy – ML-SH15-02

COMMENT: The Sheriff does not have a well-defined, written compensated absences policy.

RECOMMENDATION: We recommend that management's comprehensive compensated absences policy be clearly defined and documented in writing.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Car, Riggs & Ingram, L.L.C.

June 7, 2016

Jackson County, Florida
Sheriff
Management's Response



LOUIS S. ROBERTS III
Sheriff
Jackson County



AREA 850
Office: 482-9624 • Dispatch: 482-9648
Administration: 482-9664 • C.I.D.: 482-9664
FAX: 482-9017
P.O. Box 919 • Marianna, Florida 32447

Honorable Sherrill F. Norman
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Auditor General Norman,

We have received the audit report for the Office of Sheriff, Jackson County Florida for the fiscal year ending September 30, 2015. We have reviewed the Management Letter included in the report. Concerning the items noted in the Management letter, the following response is:

1. Need for Segregation of Duties.

In past years only one person held all responsibilities of the accounting and payroll for the Sheriff's Office. In 1997 we were awarded another person to segregate the duties more than in the past by the Board of Commissioners. The Sheriff has also assigned the task of approving all bills to the Major before they are paid. Both Sheriff Roberts and Major Branch receive a copy of our Budget Position Analysis at the end of each month, Sheriff Roberts's opens our bank statements then signs them, and Major Branch reviews all bank statements. Due to budgetary decreases no new administrative staff positions are expected to be granted by the Board of Commissioners.

2. Financial Reporting Software

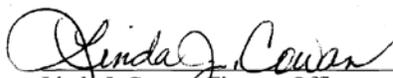
Sheriff Roberts has purchased new accounting and payroll software for the Sheriff's Office. The accounts for the software have to be created then all personnel trained in the proper use of the new programs. We are anticipating a start date of October 1, 2016 to have the software up and running.

3. Compensated Absences Policy

We have a policy for all leave in development and should be completed soon.

Sincerely,


Louis S. Roberts III, Sheriff
Jackson County Florida


Linda J. Cowan, Finance Officer
Jackson County Sheriff's Office

cc: Carr, Riggs, and Ingram, LLC

**Jackson County, Florida
Supervisor of Elections**

Special-Purpose Financial Statements

September 30, 2015



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RIGGS &
INGRAM

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Jackson County, Florida
Supervisor of Elections
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September 30, 2015

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REPORT



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INDEPENDENT AUDITORS' REPORT

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the financial statements, the Supervisor of Elections financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Supervisor of Elections. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Supervisor of Elections as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 2, 2016 on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

June 2, 2016



FINANCIAL STATEMENTS

**Jackson County, Florida
Supervisor of Elections
Special-Purpose Balance Sheet
Governmental Funds**

September 30, 2015

	General Fund
Assets	
Cash and cash equivalents	\$ 5,157
Restricted cash and cash equivalents	3,540
Accounts receivable	6,850
Due from Board of County Commissioners	2,215
Total assets	\$ 17,762
Liabilities	
Accounts payable and accrued expenses	\$ 9,879
Due to Board of County Commissioners	4,811
Deferred revenue	3,072
Total liabilities	17,762
Fund balance	-
Total liabilities and fund balance	\$ 17,762

See accompanying notes to financial statements

Jackson County, Florida
Supervisor of Elections
**Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds**

For the year ended September 30, 2015

	General Fund
<hr/>	
Revenues	
Grants	\$ 17,936
Investment earnings	4
Other fees and miscellaneous revenue	633
<hr/>	
Total revenues	18,573
<hr/>	
Expenditures	
Current:	
General government	510,474
<hr/>	
Total expenditures	510,474
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(491,901)
<hr/>	
Other financing sources (uses)	
Transfers in	491,901
<hr/>	
Net other financing sources (uses)	491,901
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance, beginning	-
<hr/>	
Fund balance, ending	\$ -
<hr/> <hr/>	

See accompanying notes to financial statements

Jackson County, Florida
Supervisor of Elections
Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Fund Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ 21,330	\$ 17,936	\$ (3,394)
Investment earnings	25	25	4	(21)
Other fees and miscellaneous revenues	3,500	3,500	633	(2,867)
Total revenues	3,525	24,855	18,573	(6,282)
Expenditures				
Current:				
General government	503,106	524,436	510,474	13,962
Total expenditures	503,106	524,436	510,474	13,962
Excess (deficiency) of revenues over (under) expenditures	(499,581)	(499,581)	(491,901)	7,680
Other financing sources (uses)				
Transfer in	499,581	499,581	491,901	(7,680)
Net other financing sources (uses)	499,581	499,581	491,901	(7,680)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the governmental Accounting Standards Board.

Reporting Entity

The Jackson County Supervisor of Elections' office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Supervisor of Elections' Office.

The Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections' special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jackson County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Supervisor of Elections' office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as part of the primary government of Jackson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Supervisor of Elections, were prepared in conformity with GAAP accepted in the United States.

In preparing these financial statements, the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund and grant activity of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in another fund.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurement made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Election’s policy to use restricted resources first, then unrestricted resources as needed.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections' assets are reported in the statement of net position in the County's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment	3-30 years
-------------------------------------	------------

Accumulated Compensated Absences

The Supervisor of Elections maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from Supervisor of Elections' office if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

The Supervisor of Elections' compensated absences are accrued and reported in the government-wide financial statements of the County's financial statements.

Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Risk Management and Insurance

The Supervisor of Elections is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2015, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$8,697 and the bank balance was \$8,667. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Supervisor of Elections to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor of Elections to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2015, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2015, the Supervisor of Elections did not hold any investments that were considered to have interest rate risk.

**Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

At September 30, 2015, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2015, the Supervisor of Elections did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 - LONG-TERM LIABILITIES

The Supervisor of Elections' long-term liabilities are reported in the statement of net position in the County's financial statements.

Long-term liability activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Compensated absences	\$ 25,316	\$ -	\$ 6,441	\$ 18,875	\$ -
Total	\$ 25,316	\$ -	\$ 6,441	\$ 18,875	\$ -

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Supervisor of Elections' policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

**Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements**

NOTE 4 - EMPLOYEE BENEFITS

The Supervisor of Elections participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/14 Through 6/30/15	07/01/15 Through 09/30/15
Regular class	7.37%	7.26%
Senior management	21.14%	21.43%
Elected county officials' class	43.24%	42.27%

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE BENEFITS (CONTINUED)

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Supervisor of Elections' employees covered by the Florida Retirement System was \$223,353 for the year ended September 30, 2015. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2015, 2014 and 2013 was \$56,725, \$48,628 and \$23,088. These contributions represent 25.40% of covered payroll for the year ended September 30, 2015.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Supervisor of Elections' governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the Jackson County, Florida's Fiscal Year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. There was no impact on the Jackson County, Florida Supervisor of Elections' financial statements as a result of the implementation of Statement No. 68.

Jackson County, Florida
Supervisor of Elections
Notes to Special-Purpose Financial Statements

NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 6 - GRANTS

The Supervisor of Elections participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2015, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor or Elections' compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Supervisor of Elections expects such amounts, if any, to be immaterial.

NOTE 7 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. There was no excess revenue in the current year.



SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements and have issued our report thereon dated June 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Supervisor of Election's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Election's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

June 2, 2016

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

The Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Supervisor of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 2, 2016



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 2, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 2, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. No significant findings and recommendations were made in the preceding annual financial audit report.

To the Honorable Sylvia Stephens
Supervisor of Elections of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Supervisor of Elections.

Other Matters

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Supervisor of Elections and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Cary Riggs & Ingram, L.L.C.

June 2, 2016

**Jackson County, Florida
Tax Collector**

Special-Purpose Financial Statements

September 30, 2015



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Jackson County, Florida
Tax Collector
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September 30, 2015

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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

As discussed in Note 1 to the financial statements, the Tax Collector's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Tax Collector. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fiduciary fund type of the Tax Collector as of September 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

June 17, 2016



FINANCIAL STATEMENTS

Jackson County, Florida
Tax Collector
Special-Purpose Balance Sheet
Governmental Funds

September 30, 2015

	General Fund
Assets	
Cash	\$ 56,103
<hr/>	
Total assets	\$ 56,103
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 4,773
Deferred revenue	13,078
Due to Board of County Commissioners	36,052
<hr/>	
Total liabilities	53,903
<hr/>	
Fund balance	2,200
<hr/>	
Total liabilities and fund balance	\$ 56,103
<hr/>	

See accompanying notes to financial statements

Jackson County, Florida
Tax Collector
Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

For the year ended September 30, 2015

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 465,257
<hr/>	
Total revenues	465,257
<hr/>	
Expenditures	
Current:	
General government	1,199,475
Capital outlay	9,500
<hr/>	
Total expenditures	1,208,975
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(743,718)
<hr/>	
Other financing sources (uses)	
Transfers in	779,770
Transfers out	(36,052)
<hr/>	
Net other financing sources (uses)	743,718
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning	2,200
<hr/>	
Fund balance - ending	\$ 2,200
<hr/>	

See accompanying notes to financial statements

Jackson County, Florida
Tax Collector
Special-Purpose Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 439,130	\$ 439,130	\$ 465,257	\$ 26,127
Total revenues	439,130	439,130	465,257	26,127
Expenditures				
Current:				
General government	1,218,900	1,208,900	1,199,475	9,425
Capital outlay	-	10,000	9,500	500
Total expenditures	1,218,900	1,218,900	1,208,975	9,925
Excess (deficiency) of revenues over (under) expenditures	(779,770)	(779,770)	(743,718)	36,052
Other financing sources (uses)				
Transfers in	779,770	779,770	779,770	-
Transfers out	-	-	(36,052)	(36,052)
Net other financing sources (uses)	779,770	779,770	743,718	(36,052)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

Jackson County, Florida
Tax Collector
Special-Purpose Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	Agency Funds
<hr/>	
Assets	
Cash	\$ 581,339
<hr/>	
Total assets	\$ 581,339
<hr/>	
Liabilities	
Due to others	\$ 581,339
<hr/>	
Total liabilities	\$ 581,339
<hr/>	

See accompanying notes to financial statements

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board.

Reporting Entity

The Jackson County Tax Collector's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners ("Board"), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jackson County Tax Collector's Office.

The Jackson County, Florida Tax Collector (the "Tax Collector") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Tax Collector's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jackson County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as part of the primary government of Jackson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

The Tax Collector operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board of County Commissioners after the end of the fiscal year.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Tax Collector, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these financial statements the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Tax Collector also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Tax Collector reports the License and Boat, Tag, Tax, Driver's License and Credit Card Transactions as agency funds.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - continued

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to use restricted resources first, then unrestricted resources as needed.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector's assets are reported in the Statement of Net Assets in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment 3-30 years

Accumulated Compensated Absences

Permanent full-time employees of the Tax Collector are entitled to personal leave based on length of employment and up to 400 hours may be carried forward to future years. Upon separation from employment, employees can be paid for unused personal leave in accordance with personnel policy.

The Tax Collector's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Tax Collectors' annual budget. The Tax Collector establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

Current Taxes

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes - Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.

Due to Others

This account is used to account for assets held by the Tax Collector in a trustee capacity for other governmental agencies or individuals.

Risk Management and Insurance

The Tax Collector is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Notes to Special-Purpose Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Fund Balances

The County adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 7.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2015, the carrying amount of the Tax Collector's cash and cash equivalents was \$637,442 and the bank balance was \$816,671. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Tax Collector to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Tax Collector to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2015, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2015, the Tax Collector did not hold any investments that were considered to have interest rate risk

Custodial Credit Risk

At September 30, 2015, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2015, the Tax Collector did not hold any investments that were considered to have concentration of credit risk.

**Jackson County, Florida
Tax Collector**

Notes to Special-Purpose Financial Statements

NOTE 3 - LONG-TERM LIABILITIES

The Tax Collector’s long-term liabilities are reported in the statement of net position in the County’s financial statements.

Long-term liability activity for the year ended September 30, 2015, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental					
activities:					
Compensated absences	\$ 49,686	\$ -	\$ (7,044)	\$ 42,642	\$ -
Total	\$ 49,686	\$ -	\$ (7,044)	\$ 42,642	\$ -

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Tax Collector’s policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

NOTE 4 - EMPLOYEE PENSION PLAN

The Tax Collector participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.frs.state.fl.us/frs/public/annual.

Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/14 Through <u>06/30/15</u>	07/01/15 Through <u>09/30/15</u>
Regular employees	7.37%	7.26%
Senior management	21.14%	21.43%
Elected county officials' class	43.24%	42.27%
DROP plan participants	12.28%	12.88%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Tax Collector employees covered by the Florida Retirement System was \$770,993 for the year ended September 30, 2015. The Tax Collector's contribution to the plan for the years ended September 30, 2015, 2014, and 2013 totaled \$83,735, \$78,155, and \$44,228. These contributions represented 10.86% of covered payroll for the year ended September 30, 2015.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

Notes to Special-Purpose Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental non-employer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Tax Collector's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the Jackson County, Florida's Fiscal Year 2014 government-wide financial statements to reflect the reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. There was no impact on the Jackson County, Florida Tax Collector's financial statements as a result of the implementation of Statement No. 68.

NOTE 5 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector." For the year ended September 30, 2015, excess revenues over expenditures of \$36,052 are accrued and reported as a transfer out.

NOTE 6 - OPERATING LEASES

The Tax Collector leases various buildings under operating leases with yearly lease terms. Rental expense under operating leases for the year ended September 30, 2015 was \$20,040. The minimum future lease payments under operating leases as of September 30, 2015 and for each year until expiration are:

2016	\$	12,540
<u>Total minimum future lease payments</u>	<u>\$</u>	<u>12,540</u>

Notes to Special-Purpose Financial Statements

NOTE 7 - GOVERNMENTAL FUND BALANCE

Fund balances are classified based upon a hierarchy of the County's ability to control spending of these fund balances and can be classified in the following categories:

Non Spendable – Amounts that cannot be spent because they are either not spendable in form or they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for purposes stipulated by external parties, constitution provision or enabling legislation.

Committed – Amounts constrained for a specific purpose by the Board of County Commissioners.

Assigned – For the general fund, amounts constrained for the intent to be used for a specific purpose by the Board of County Commissioners. For all governmental funds other than the general fund, any positive remaining amounts not classified as nonspendable, restricted or committed.

Unassigned – All amounts not included in other spendable classifications.

At September 30, 2015, all of the Tax Collector's fund balance is classified as unassigned.

NOTE 8 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Tax Collector are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 7 – LITIGATION AND CONTINGENT LIABILITIES

The Tax Collector is involved in various litigation arising from the ordinary course of business. In the opinion of management and after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Tax Collector's financial position.



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Tax Collector
Combining Special-Purpose Statement of Fiduciary Net Position
Agency Funds

September 30, 2015

	License and Boat	Tag	Tax	Driver's License	Credit Cards	Total
Assets						
Cash	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 7,014	\$ 581,339
Total assets	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 7,014	\$ 581,339
Liabilities						
Due to others	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 7,014	\$ 581,339
Total liabilities	\$ 780	\$ 60,019	\$ 509,542	\$ 3,984	\$ 7,014	\$ 581,339

See Independent Auditors' Report

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Jackson County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated June 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below as finding TC06-01 that we consider to be a significant deficiency.

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties TC06-01

COMMENT: The size of the Tax Collector's staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Tax Collector's assets.

RECOMMENDATION: The size of the Tax Collector's administrative staff makes it difficult to achieve ideal segregation of duties. The Tax Collector should be aware of internal control weakness and continue to separate record keeping duties from custody of assets as much as possible. We also recommend that management require mandatory vacations of at least one week in duration for financial personnel and recommend that their duties be assigned to other personnel while on vacation.

STATUS: This condition continues to exist.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Tax Collector's Response to Findings

The Tax Collector's response to the findings identified in our audit is described in the accompanying letter. The Tax Collector's response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, we express no opinion on it.

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caru, Riggs & Ingram, L.L.C.

June 17, 2016

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

We have examined Jackson County, Florida, Tax Collector (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Tax Collector's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

June 17, 2016

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 17, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 17, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Finding TC06-01 found in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* has not been corrected.

To the Honorable Sherry Brown
Tax Collector of Jackson County, Florida
Marianna, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jackson County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Tax Collector.

Other Matters

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Caru, Riggs & Ingram, L.L.C.

June 17, 2016

Jackson County, Florida
Tax Collector
Management's Response



Sherry A. Brown, CFC

**Tax Collector, Jackson County
Certified Florida Collector**

Courthouse
P.O. Box 697
Marianna, FL 32447
850-482-9653
Fax 850-526-3821

Graceville Agency
P.O. Box 655
Graceville, FL 32440
850-263-3218
Fax 850-263-2637

Sneads Agency
P.O. Box 520
Sneads, FL 32460
850-593-6737
Fax 850-593-5388

Driver License Agency
3613 Hwy 90
Marianna, FL 32446
Phone 850-482-9602
Fax 850-482-9603

Carr, Riggs and Ingram LLC
P.O. Box 1606
Marianna, FL 32447

Attention: Audit Department

I am in receipt of the audit report for the Jackson County Tax Collector's Office for the fiscal year ending September 30, 2015. Concerning the current year findings and recommendations, the following applies:

- Need for Segregation of Duties – The need for segregation of duties will always be a concern for my office due to the size of my staff. I am aware of internal control weaknesses this presents to my office, however we have implemented other internal controls to help compensate for this weakness. Although we do not require mandatory vacations of at least one week in duration for financial personnel, most employees do take a week's vacation as long as their personal leave balance permits. My staff is cross trained in various positions in order to cover the duties associated with those on leave. I will continue, as always, to be involved in the day-to-day tasks of running my office to help strengthen internal controls.

We will continue to strive to provide current, accurate and reliable financial information and serve the citizens of Jackson County, Florida in the most cost effective and efficient manner.

Sincerely,

A handwritten signature in cursive script that reads "Sherry A. Brown".

Sherry A. Brown, CFC
Jackson County Tax Collector